

# **U.S. GENERAL SERVICES ADMINISTRATION**



**FY 2001**

**CONGRESSIONAL  
JUSTIFICATIONS**

**GENERAL SERVICES ADMINISTRATION  
FY 2001 CONGRESSIONAL JUSTIFICATION**

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# General Services Administration

## FY 2001 BUDGET SUMMARY AND HIGHLIGHTS

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### INTRODUCTION:

The General Services Administration (GSA) was established by the Federal Property and Administrative Services Act of 1949.

Its mission is to provide policy leadership and expertly managed space, products, services and solutions, at the best value, to enable Federal employees to accomplish their missions. We believe that no other organization in the public or private sector can bring to bear as much experience, knowledge, and range of capability as GSA in ensuring high performance in Federal work environments. Due to its procurement expertise and experience, GSA is uniquely qualified to provide Federal agencies with the products and services needed to accomplish their missions and improve their performance.

The agency has dual policy and operational roles in accomplishing four major goals: promote responsible asset management; compete effectively in the Federal market; excel at customer service; and anticipate future workplace needs.

GSA is organized into three Services, the Office of Governmentwide Policy, and various staff support offices. Geographically, operations are conducted through 11 regional offices located throughout the country.

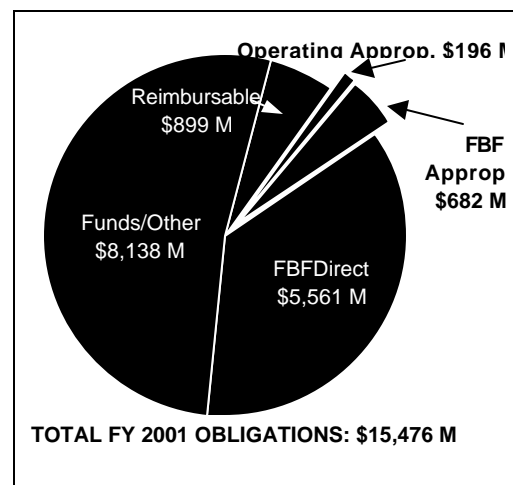
### BUDGET TOTALS AND SOURCES

Measured in obligations, GSA's FY 2001 budget estimate totals \$15.5 billion for programs under agency accounts. Most of GSA's funding comes from customers through reimbursements to revolving funds

for purchase of goods and services or as rent paid for space in GSA-owned and leased buildings.

Congress is asked to appropriate only \$196 million for GSA direct funded operations, which includes \$8 million in appropriations from real property disposal proceeds. The Federal Buildings Fund (FBF) appropriation includes \$673 million for new construction projects and \$9 million for the amortized amount of the relocation costs that GSA financed for the move of the Federal Communications Commission (FCC) to its new Portals headquarters.

The balance is for customer requested and funded work, and the Federal Buildings Fund



(FBF) real property program. Congress annually authorizes how GSA may apply its available FBF revenues (new obligational authority in annual appropriations acts). The table on the following page shows by account the total GSA budget program, as well as the parts requiring congressional action.

# General Services Administration

## FY 2001 BUDGET SUMMARY AND HIGHLIGHTS

<b>General Services Administration</b> <b>FY 2001 BUDGET SUMMARY AND HIGHLIGHTS</b> <b>(DOLLARS IN THOUSANDS)</b>			
	<b>FY 1999 Actual</b>	<b>FY 2000 Current</b>	<b>FY 2001 Budget</b>
<b><u>OBLIGATIONS</u></b>			
Operating Appropriations - Direct	187,139	219,930	195,939
Federal Buildings Fund - Direct	5,860,957	6,063,081	6,242,632
Reimbursable programs	816,571	969,351	899,309
General Supply Fund	3,409,876	3,336,416	3,362,366
Information Technology Fund	5,164,979	4,546,666	4,454,947
Working Capital Fund	224,447	278,988	296,561
Federal Consumer Information Center (Reimb.)	4,016	3,973	3,714
Real Property Relocation	418	10,971	0
Permanent Indefinite Appropriations	<u>14,340</u>	<u>18,364</u>	<u>20,498</u>
<b>TOTAL OBLIGATIONS</b>	<b>15,682,743</b>	<b>15,447,740</b>	<b>15,475,966</b>
<b><u>REQUIRING APPROPRIATIONS COMMITTEE ACTION</u></b>			
<b><u>Operating Appropriations:</u><sup>1</sup></b>			
Policy and Operations <sup>2</sup>	108,115	118,223	144,980
Federal Consumer Information Center (Direct)	2,542	2,622	6,822
Office of Inspector General	31,746	33,317	34,520
Allowances, Former Presidents	2,024	2,241	2,517
Presidential Transition	<u>0</u>	<u>0</u>	<u>7,100</u>
<i>Subtotal Budget Authority/Appropriations</i>	<i>144,427</i>	<i>156,403</i>	<i>195,939</i>
<b><u>Federal Buildings Fund New Obligational Authority:</u><sup>3</sup></b>			
Construction & Acquisition of Facilities	533,114	87,079	779,788
Repairs and Alterations	681,828	665,611	721,193
Installment Acquisition Payments	215,764	201,646	185,369
Rental of Space	2,670,203	2,985,685	2,944,905
Building Operations	1,573,814	1,573,909	1,624,771
Columbia Hospital for Women	<u>0</u>	<u>14,000</u>	<u>0</u>
<i>Subtotal New Obligational Authority (NOA)</i>	<i>5,674,723</i>	<i>5,527,930</i>	<i>6,256,026</i>
<i>Subtotal FBF Budget Authority</i>	<i>305,632</i>	<i>(54,139)</i>	<i>745,003</i>
<i>Subtotal FBF Appropriations</i>	<i>450,018</i>	<i>0</i>	<i>681,871</i>
<b>TOTAL, Treasury Approp. Action (BA/NOA)</b>	<b>5,816,608</b>	<b>5,681,711</b>	<b>6,445,143</b>
<i>Budget Authority</i>	<i>447,517</i>	<i>99,642</i>	<i>934,120</i>
<i>Appropriations<sup>2</sup></i>	<i>591,903</i>	<i>153,781</i>	<i>870,988</i>
<b>TOTAL, VA/HUD Appropriations Action (BA)</b>	<b>2,542</b>	<b>2,622</b>	<b>6,822</b>
Federal Consumer Information Center (Direct)	<i>2,542</i>	<i>2,622</i>	<i>6,822</i>
<b>Notes:</b>			
<sup>1</sup> The FCIC is funded under the VA/HUD bill; all else is in the Treasury & General Government bill.			
<sup>2</sup> FY 2001 Request includes \$8 million in appropriations from real property disposal proceeds.			
<sup>3</sup> FBF NOA amounts are the NEW authority enacted/requested each year; accounts are no-year, and obligations in any year include some or all of the new authority plus unobligated prior-year projects.			

# General Services Administration

## FY 2001 BUDGET SUMMARY AND HIGHLIGHTS

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### WATERFALL TABLE

#### Changes in Appropriated Accounts<sup>1</sup>

\$(Thousands)

	Policy and Operations	Inspector General	Former Presidents	Presidential Transition	Total
<b>FY 2000</b>	<b>116,223</b>	<b>33,317</b>	<b>2,241</b>	<b>0</b>	<b>151,781</b>
Pending FY 2000 Supplemental for the Critical Infrastructure Protection Program	<b>2,000</b>				<b>2,000</b>
Governors Island Protection and Main- tenance	-1,399				-1,399
Transfer of FIC to the FCIC Fund	-3,700				-3,700
Digital Learning Technologies	-2,000				-2,000
Virtual Archive Storage Feasibility Study	-275				-275
Pay Raise and Inflation	3,285	1,203			4,488
Increase for WCF Centralized Administrative Support	472				472
Lorton Correctional Complex Protection & Maintenance	3,300				3,300
Critical Infrastructure Protection Prog.	13,400				13,400
Electronic Government	2,060				2,060
RISC/OIRA Consolidated Info. System	2,000				2,000
Disposal of Real Property from Proceeds (Appropriations from Receipts)	8,000				8,000
Computers for Learning	215				215
FinanceNet	800				800
Real Property Utilization Program	599				599
Increase for President Clinton			256		256
FY 2000 Pension Increase			20		20
Expenses for Presidential Transition				7,100	7,100
<b>FY 2001</b>	<b>144,980</b>	<b>34,520</b>	<b>2,517</b>	<b>7,100</b>	<b>189,117</b>
<sup>1</sup> Treasury Committee action only, excludes FCIC					

# General Services Administration FY 2001 BUDGET SUMMARY AND HIGHLIGHTS

## FEDERAL BUILDINGS FUND New Obligational Authority

2001 Construction and Acquisition of Facilities (NOA) <i>In Priority Order</i> \$(Millions)	
<u>Projects funded from FBF:</u>	
Judgment Fund Repayment.....	\$16.7
New York, NY, US Mission to the UN .....	58.3
Sault St. Marie, MI, Border Station .....	3.6
Eureka/Rossville, MT, Border Station .....	6.9
Fort Hancock, TX, Border Station.....	2.1
Jackman, ME, Border Station.....	.6
Del Rio III, TX, Border Station .....	1.8
Raymond, MT, Border Station .....	.6
Eagle Pass, TX, Border Station .....	2.2
Houston, TX, FBI.....	6.1
Washington, DC, SEFC Site Remediation .....	5.0
Non-Prospectus Construction.....	3.0
TOTAL .....	\$107.1
<u>Projects Funded from Direct Appropriations:</u>	
Montgomery Co., MD, FDA Consolidation .....	101.2
Washington, DC, ATF Headquarters .....	83.0
Los Angeles, CA, Courthouse .....	31.5
Seattle, WA, Courthouse.....	177.9
Richmond, VA, Courthouse.....	19.5
Biloxi-Gulfport, MS, Courthouse.....	42.7
Washington, DC, Courthouse Annex (E. Barrett Prettyman).....	104.1
Miami, FL, Courthouse .....	111.0
Little Rock, AR, Courthouse Annex.....	1.8
TOTAL .....	672.7
Total Construction Program, FY 2001.....	779.8
<i>FY 2002 Advance Appropriation:</i>	
Suitland, MD, NOAA II.....	34.1
Montgomery Co., MD, FDA Consolidation .....	184.9
Total .....	219.0
<i>FY 2003 Advance Appropriation:</i>	
Montgomery Co., MD, FDA Consolidation .....	162.6
<i>FY 2004 Advance Appropriation:</i>	
Montgomery Co., MD, FDA Consolidation .....	95.9

Note: This table will not add due to rounding.

# General Services Administration

## FY 2001 BUDGET SUMMARY AND HIGHLIGHTS

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### FEDERAL BUILDINGS FUND (Cont'd):

<b>2001 Repairs and Alterations (NOA)</b> <i>In Priority Order</i> <b>\$(Millions)</b>	
Basic Non-Prospectus R&A Projects .....	<b>\$ 290.0</b>
Major R&A Construction Projects .....	<b>349.3</b>
Washington, DC, Main State Ph III.....	28.8
Pittsburgh, PA, PO/CT .....	54.1
Detroit, MI, McNamara FB .....	27.0
Cincinnati, OH, Potter Stewart CT .....	18.4
Phoenix, AZ, FB-CT .....	27.0
Kansas City, MO, Bolling FB .....	25.9
Washington, DC, IRS HQ, Ph I.....	31.8
Reston, VA, J W Powell FB Ph II.....	23.0
Salt Lake City, UT, Bennett FB .....	21.2
Omaha, NE, Zorinsky FB Ph I.....	46.0
Santa Ana, CA, FB [Design/Build] .....	27.9
Kansas City, MO, FB 8930 Ward Pkwy .....	9.0
Woodlawn, MD, SSA NCC - Utility Bldg .....	4.3
New York, NY, 40 Foley Square .....	5.0
Chlorofluorocarbons Program (various).....	<b>10.0</b>
Energy Program (various).....	<b>20.0</b>
R&A Design Projects:.....	<b>21.9</b>
Pittsburgh, PA, Moorhead FB.....	3.5
Suitland, MD, FOB 3.....	5.2
Tallahassee, FL, CT .....	.5
New Haven, CT, Giaimo FB.....	1.0
Muskogee, OK, CT.....	.8
Davenport, IA, CT.....	.8
St. Louis, MO, 104/105 Goodfellow FB.....	1.2
Cleveland, OH, Celebrezze FB .....	1.5
Cleveland, OH, Metzenbaum CT.....	1.5
Milwaukee, WI, CT .....	.8
Washington, DC, GSA-ROB.....	3.8
Chicago, IL, 536 Clark St. FB.....	1.4
Glass Fragment Retention .....	<b>30.0</b>
<b>TOTAL REPAIRS AND ALTERATIONS .....</b>	<b>\$ 721.2</b>

Note: This table will not add due to rounding.

# General Services Administration

## FY 2001 BUDGET SUMMARY AND HIGHLIGHTS

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### FEDERAL BUILDINGS FUND (Cont'd):

#### WATERFALL TABLE Changes in Other FBF NOA \$(Thousands)

	Installment Acquisition Payments	Rental of Space	Building Operations
<b>FY 2000</b>	<b>211,261</b>	<b>2,985,685</b>	<b>1,573,909</b>
Unobligated Balance from Prior Year		23,646	
Decrease in Capitalized Interest Payments	-3,718		
Decrease in Interest Payments	-12,174		
Annualization of FY 2000 Program		30,716	
Full Year Cost of FY 2000 expansion funded from Indefinite Authority FY 2001		-139,758	
Expansions		11,774	
Cancellations		-84,543	
Rental Increases		65,305	
Net Change to Lump Sum Payments		52,080	
Wageboard/Pay Act Increase (3.9%), eff. Jan 2001			15,073
Part Year Increase for FY 2000 Pay Act (4.4%), Effective Jan. 2000			5,042
Inflation (Supplies, Materials, Service Contracts and Utilities - 2.1%)			26,656
Building Services in New Space			14,467
Increase for Real Estate Broker Services			2,500
Decrease in Program Cost Savings			-12,876
<b>FY 2001</b>	<b>195,369</b>	<b>2,944,905</b>	<b>1,624,771</b>



# General Services Administration

## FY 2001 BUDGET SUMMARY AND HIGHLIGHTS

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### BUDGET HIGHLIGHTS AND TRENDS

#### Operating Programs

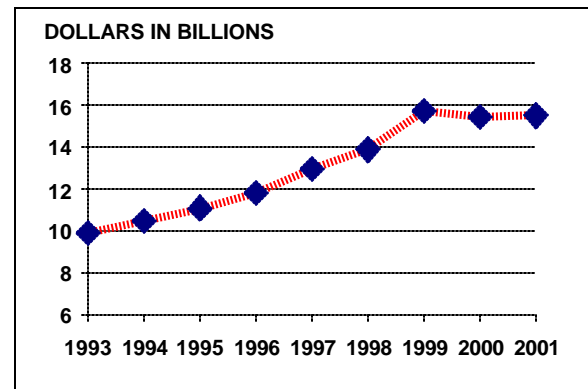
Annual operating appropriations in FY 2001, after adjustment for Y2K one-time expenditures show a small increase from FY 2000 levels. This increase is made up primarily of increases related to the President's initiative on Critical Infrastructure Protection (CIP), an increase for the Lorton Correctional Complex closure and other disposal activities, and funding for the Presidential transition. Please see the waterfall table on page 3 of this section for details on changes to appropriations.

The agency continues to emphasize its policy role under the Office of Governmentwide Policy (OGP), created in FY 1996. OGP, working with other agencies, provides leadership to develop and oversee implementation of policies to achieve cost effective solutions for the delivery of administrative services, while reducing regulations and empowering employees. OGP is taking a leadership role in the implementation of electronic government. In FY 2001 we are requesting an additional \$2.1 million for this program. The total budget for OGP in FY 2001 is \$55.8 million.

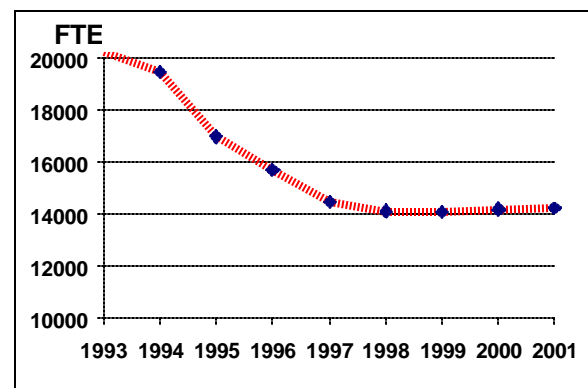
In its operations, GSA has moved from being a mandatory source to being a provider of choice, and is competing for customer purchases of supplies, fleet services, information technology services and, increasingly, real property services.

Even in this non-mandatory environment, GSA's "business volume" (expressed as total obligations) has steadily grown,

reflecting delivery of increased goods and services to Federal customers. Higher business volumes demonstrate that customers are increasingly choosing GSA in an environment in which they have many choices. During the 9-year period shown in the following chart, obligations increased over 57%.



Over the same period, GSA has significantly streamlined and reduced its workforce. Compared to FY 1993, the baseline for recent employment reduction goals, GSA's FY 2001 level has decreased over 30%. This has been achieved without adverse action through hiring freezes/attrition and 4,391 voluntary separations under "buyout" authority.



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The budget supports 14,216 FTE in FY 2001, an increase of 16 over FY 2000. The FY 2001 level is a decrease of 6,032 FTE, or 30%, since FY 1993, one of the greatest percentage reductions of any large executive branch agency.

### Capital Investment

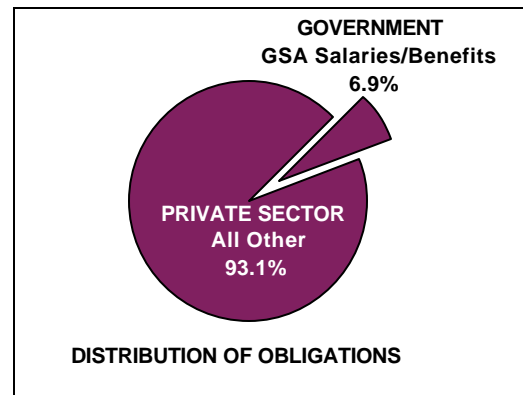
The budget proposes \$780 million for new construction projects in FY 2001. \$721 million is also being requested for repairs and alterations projects. This \$1.5 billion capital program is the largest since 1994. \$682 million is funded from direct appropriations and \$819 million from the revenues of the Fund. The budget also proposes advance appropriations for FY 2002 through FY 2004 of \$477.5 million. See the tables on pages 4 and 5 of this section for project lists. Both programs are described in detail in the Federal Buildings Fund section.

### **OTHER PERSPECTIVES**

GSA has a large influence on overall federal spending.

In total, GSA actually affects over \$66 billion in financial transactions throughout the Government. This includes its own funds and the value of contractual and other vehicles it puts in place for all agencies to use. See the table on "Government Financial Transactions Affected by GSA" on page 12.

GSA contracts with the private sector to meet client agency needs. Of the \$15.5 billion budgeted in FY 2001, only \$1.1 billion is for salaries and benefits of GSA personnel, about 6.9%.



The rest is for commercially sourced supplies, services, commercial rent payment, equipment, communications and utilities.

### **MAINTAINING THE MOMENTUM**

The FY 2001 budget program seeks to maintain and build upon GSA's contributions toward making the Federal sector work better and cost less.

### Public Buildings Service

The Federal Buildings Fund finances GSA's real property activities, except for disposal. GSA offers quality non-mandatory real property services, which permits our customers to choose their leasing and space alteration providers from GSA, other public, or private sources. Most agencies are continuing to use GSA's facilities and services. Public Buildings Service (PBS) customer satisfaction increased from 74% in 1994 to 80% in 1998, and is targeted to improve to 82% in FY 2001, with a long-term goal of 85%. PBS is working to expand its private sector benchmarking efforts. Operating costs for office space, for example, were 13% below private sector costs in FY 1999, resulting in savings of \$43 million in FY 2000 and FY 2001.

GSA's FY 2001 budget reflects a significant construction program, including:

## **General Services Administration FY 2001 BUDGET SUMMARY AND HIGHLIGHTS**

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- \$488 million for seven new federal courthouse projects.
- \$18 million for seven Border Station projects.
- \$83 million for a new consolidated high security headquarters for the Bureau of Alcohol, Tobacco and Firearms.
- \$58 million for a new United Nations U.S. Mission facility in New York City.
- Consolidation of the Food and Drug Administration Headquarters office and laboratory space from the current 48 sites to 2 sites in Maryland. A total of \$544 million is requested, in the amounts of \$101 million in FY 2001, and \$443 million in advance appropriations for FY 2002 through FY 2004.
- A new National Oceanic and Atmospheric Administration (NOAA) ADP facility in Suitland, Maryland. An advance appropriation of \$34 million in FY 2002 is requested.

In addition to Construction, a \$721 million Repairs and Alterations program funds modernization of the existing inventory and other PBS initiatives, including:

- Allocation of \$37.9 million to recapture 920 thousand square feet of vacant space, which will generate \$20 million in annual revenue to the Federal Buildings Fund.
- Continued investments in security enhancements such as a glass fragment retention program for windows in Federal Buildings.

GSA maintains and disposes of surplus Federal property, producing \$312 million in proceeds in FY 1999, at significant savings to our customers.

- A net increase of \$3.3 million is requested for protection and maintenance of the Lorton Correctional Complex.

### Federal Technology Service

Through the Information Technology Fund, the Federal Technology Service (FTS) provides the Government with an economical and efficient system for the procurement of IT and telecommunications services. FTS identifies and aggregates Federal requirements to offer contracts that yield substantial cost savings and value. For example, under the new FTS2001 contracts, long distance telecommunications service, which will be non-mandatory, will start at about 4.5 cents per minute and drop to less than 1 cent a minute by the end of the contract. Although this decline represents an overall savings to the government, because of these substantial price reductions GSA revenues for the long distance program are projected to decline from \$800 million in FY 1999 to \$624 million in FY 2000 and to \$512 million in FY 2001.

### Federal Supply Service

The General Supply Fund is a full-cost recovery, revolving fund that provides Federal agencies with services and supplies. Through the fund, the Federal Supply Service (FSS) gets great deals for the Government by leveraging vendor-competitiveness and the size of the Federal market to contract for top quality goods and services at a discount. For example:

- The Contract Airline City-Pair program offers Federal travelers unrestricted discount fares that generate substantial savings. The FY 2001 target for savings on Government travel as a percent of the total commercial value of the same travel is 65%, with savings of \$2.3 billion

# General Services Administration

## FY 2001 BUDGET SUMMARY AND HIGHLIGHTS

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- Shipment of freight, household goods, and small-packages through express delivery services is performed at a 45–49% savings over commercial rates.
- Vehicle fleet services are the most cost-effective anywhere, with compact sedan acquisitions providing an average of 20% savings compared to commercial “Black Book” prices.

The Personal Property Utilization and Donation program achieved savings of \$1.9 billion in FY 1999.

More than 4 million commercial products and an extensive range of technology, financial, environmental, management, and administrative services can be purchased directly from more than 6,800 contracts through the Federal Supply Schedule program or through *GSA Advantage!™*, GSA's award winning on-line shopping service.

The General Services Administration is currently reviewing the financial condition of the Federal Supply Service's national supply distribution system and the viability of operating the existing warehouses. Since this review has not been concluded, the financial and employment data shown in this budget reflect the continuation of the current stock program.

### Office of Governmentwide Policy

GSA's Office of Governmentwide Policy (OGP), funded by the Policy and Operations account, provides the leadership needed to develop and oversee the implementation of policies designed to achieve the most cost effective, innovative solutions for the delivery of administrative services. For example, OGP continues to be a leader in development of electronic commerce (EC) policies and practices, working toward governmentwide standardization of EC

policies and practices. \$2.1 million is being made available in FY 2001 to support the development of EC infrastructure to provide an interoperable, single face for government electronic business transactions.

### Staff Offices

The major staff offices in GSA – the Chief Financial Officer, Chief People Officer, Chief Information Officer and General Counsel – provide quality administrative, financial and legal services to all of the GSA business lines as well as external customers.

GSA produces comprehensive annual reports and audited financial statements. We expect to earn an unqualified audit opinion from an independent public accounting firm in FY 1999, for the twelfth consecutive year, unprecedented among Federal agencies.

### Socio-Economic Programs

GSA is committed to improving the quality of life of its employees, as well as promoting such socio-economic goals as improving environmental quality and increasing access to technology.

- GSA is a leader in family-friendly workplaces. At the close of FY 1999, we now manage 113 Federal child care facilities, serving 7,600 children. Seventy-seven percent of our centers are accredited, compared to five percent for all childcare centers nationwide. Our goal is to achieve a 97% accreditation rate in FY 2001. In FY 1999 we made computers and internet access available to all the childcare centers. We also continue to seek new ways to make Federal child care more affordable.
- GSA will manage the Computers for Learning program website, to aid in the donation of surplus computer equipment

## **General Services Administration**

### **FY 2001 BUDGET SUMMARY AND HIGHLIGHTS**

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to schools and non-profit education groups.

- 77% of Schedule contracts are awarded to small business.
- GSA's Federal recycling efforts in approximately 1,100 buildings will result in diversion of about 68,000 tons of recyclable materials away from landfills

in FY 2001. GSA used proceeds from the recycling program for tuition assistance to needy families in childcare centers.

- GSA's energy consumption was reduced by 18% from 1985 to 1999, and will be reduced by an additional 4% by FY 2001. Utility costs in GSA facilities are 28% less per rentable square foot than comparable private sector buildings.
- GSA's fleet experiments with innovative technologies, such as alternative-fuel vehicles (AFVs), led to GSA's induction into the Clean Air Hall of Fame. GSA has purchased over 27,000 AFVs since FY 1991, with 23,000 of them for the GSA fleet.

# General Services Administration

## FY 2001 BUDGET SUMMARY AND HIGHLIGHTS

As referenced on page 8, GSA affects almost \$66 billion in financial transactions throughout the Government.

<b>Government Financial Transactions Affected By GSA</b>			
	<i>\$(Thousands)</i>		
	<b>FY 1999 Actual</b>	<b>FY 2000 Estimate</b>	<b>FY 2001 Estimate</b>
<b>ACTIVITIES UNDER GSA ACCOUNTS</b>			
Budgeted Obligations	15,682,743	15,447,740	15,475,966
Unobligated Balance of Approved Const/R&A Program	<u>1,136,544</u>	<u>635,885</u>	<u>661,605</u>
Subtotal	16,819,287	16,083,625	16,137,571
<b>FUNDS THAT GSA COLLECTS:</b>			
Transportation Overcharge Collections	12,900	13,500	13,000
Surplus Real Property Sales Proceeds	312,000	344,400	326,100
Surplus Personal Prop Sales Proceeds (gross)	12,200	12,200	12,200
Outlease of Govt-Owned Space	2,912	3,000	3,000
Energy Rebates and Recycling Receipts	<u>1,235</u>	<u>1,266</u>	<u>1,266</u>
Subtotal	341,247	374,366	355,566
<b>MECHANISMS PUT IN PLACE BY GSA (REVENUES):</b>			
GSA SmartPay (notes 1 & 2)	<u>5,372</u>	<u>6,701</u>	<u>7,622</u>
Subtotal	5,372	6,701	7,622
<b>MECHANISMS PUT IN PLACE BY GSA (EXPENSES):</b>			
Multiple, Single, Service Schedules (Supply & ADP)	11,466,509	13,000,000	14,500,000
Purchase of Telecomm. Services (POTS)	10,996	0	0
Major Info. System Acquisition/Seat Management	176,798	124,000	158,000
Telecommunications Enhancement Contracts	82,674	175,013	192,514
Operation Safeguard	0	40,000	40,000
GSA IT Acquisition Services	64,902	24,300	25,600
Financial Management Systems Support Center	19,678	8,000	4,000
Freight Transportation Services (HHG and STOS)	126,200	120,200	117,300
GSA SmartPay (notes 1 & 2)	14,830,306	16,867,524	18,701,020
Real Estate Schedules	<u>2,000</u>	<u>2,000</u>	<u>2,000</u>
Subtotal	26,780,063	30,361,037	33,740,434
<b>COST AVOIDANCES DUE TO GSA PROGRAMS:</b>			
Real Property Utilization Transfers	30,200	23,100	23,900
Personal Property Utilization/Donations	1,880,000	1,610,000	1,610,000
Real Property Donations	105,400	94,200	131,000
Value of CIC Pub Svc Media Donations	<u>16,950</u>	<u>17,200</u>	<u>17,500</u>
Subtotal	2,032,550	1,744,500	1,782,400
<b>GSA DELEGATED AUTHORITIES:</b>			
Real Prop. Disposal (DOD) (note 3)	12,000,000	12,000,000	12,000,000
Buildings Delegations (note 4)	208,805	217,951	223,725
Supply Schedules - Dept Veterans Affairs	<u>1,970,958</u>	<u>2,001,000</u>	<u>2,001,000</u>
Subtotal	14,179,763	14,218,951	14,224,725
<b>TOTAL GSA-RELATED FINANCIAL TRANSACTIONS</b>	<b>60,158,282</b>	<b>62,789,180</b>	<b>66,248,318</b>

Note 1: GSA SmartPay contracts became effective Nov 1998, & include Purchase, Travel, Fleet cards & Airline City pairs volumes.

Note 2: Under GSA SmartPay, the amount of the refund varies by agency. There is a base refund of 4 basis points which goes to GSA out of the agencies' refunds. Agencies have negotiated refunds in different amounts, depending upon such issues as how quickly they pay, how electronic the process is, volume, etc.. Some agencies have refunds of well over 100 basis points, while others have a lot less. These refunds are paid directly to the ordering agency, not to GSA. Given that the refunds are dependent on actions of agencies (for example meeting volume incentives, improving speed of payment, etc.), we have no way of knowing how much the refunds will be. We hope to have better data as the process continues to roll-out. Final IMPAC refunds are included in the GSA SmartPay refund numbers.

Note 3: Estimated sales value of properties under DOD Base Closures; GSA delegates its disposal authorities to DOD.

Note 4: Estimated rent payments transferred to delegate agencies that are responsible for lease management as prescribed in the delegation agreements (usually single-tenant buildings).

# General Services Administration

## FY 2001 BUDGET SUMMARY AND HIGHLIGHTS

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### GSA'S GENERAL PROVISIONS

Brief explanations of proposed GSA general provisions are listed below, with minor modifications from last year as noted. Several GSA general provisions contained in the FY 2000 Appropriations Act were

deleted, as they were one-time in nature and did not need to be repeated. Several Title VI General Provisions of special interest to GSA are also shown.

<b>GSA General Provisions</b>	
Sec. 401.....	Provides for reimbursement by wholly owned Government corporations and agencies to GSA for provision of building services, including costs of operations, protection, maintenance, upkeep, repair and improvement, included as part of rentals.
Sec. 402.....	Provides GSA authority for the hire of passenger motor vehicles, to satisfy its requirements for vehicles from other sources when the motor pool system cannot supply the required vehicles.
Sec. 403.....	Provided that notice of any proposed transfers for the Federal Buildings Fund, GSA, shall be transmitted in advance to the Committee on Appropriations for activities that may be transferred between such activities only to the extent necessary to meet program requirements.
Sec. 404.....	Provides that requests for Courthouse construction must (1) meet the GSA/OMB/ Judicial Conference design guide standards, (2) reflect the Judicial Conference approved 5 year construction plan, and (3) include a standardized courtroom utilization study.
Sec. 405.....	Provides that GSA shall not provide usual building services to agencies that do not pay the assessed rental rate as determined by GSA in compliance with law.
Sec. 406.....	Provided funds by the Information Technology Fund, GSA, to other Government agencies for performance of pilot information technology projects which have potential for Governmentwide-wide benefits and savings, may be repaid to this Fund from any savings actually incurred by these projects or other funding, to the extent feasible.
Sec. 407.....	Provides that claims against the Government for less than \$250,000 arising from direct construction and the acquisition of buildings may be liquidated from savings effected in other construction projects provided that the Appropriations Committees are notified in advance.
Sec. 408.....	Amends Public Law 106-58, by changing the date of April 30, 2001 to April 30, 2002, for GSA to offer to the employees a voluntary separation incentive in order to provide the necessary flexibility to carry out the closing of the Federal Supply Service distribution centers, forward supply points, and associated programs.
<b>Title VI General Provisions</b> <i>(of special interest to GSA)</i>	
Sec. 606.....	Provides appropriations for any department or agency during the current FY for necessary expenses, including maintenance or operating expenses, shall also be available for payment to GSA for charges for space and services and those expenses of renovation and alteration of buildings and facilities which constitute public improvements performed in accordance with appropriate law.
Sec. 626.....	Provides for transfer of funds to GSA for governmentwide financial management, information technology, procurement, and other initiatives, as approved by OMB in consultation with the CFO and CIO Councils, not to exceed \$17,000,000, following notification of the Appropriation Committees.

# General Services Administration

## FY 2001 BUDGET SUMMARY AND HIGHLIGHTS

### OBLIGATIONS SUMMARY By Object Classification \$(Thousands)

	1999 Actual	2000 Estimated	2001 Estimated
Personnel Compensation:			
11.1 Full-time permanent	752,460	786,296	807,166
11.3 Other than permanent	11,065	12,130	12,046
11.5 Other personnel compensation	21,511	30,560	30,673
11.8 Special personal service payments	377	384	4,071
11.9 Total personnel compensation	785,413	829,370	853,956
12.1 Civilian personnel benefits	183,147	195,704	205,224
13.0 Benefits for former personnel	1,103	5,084	5,293
21.0 Travel and transportation of persons	32,454	37,662	38,808
21.0 Motor pool travel	6,197	6,394	6,525
22.0 Transportation of things	58,805	63,540	64,304
23.1 Rental payments to GSA	77,579	82,684	84,546
23.2 Rental payments to others	2,681,508	3,009,331	2,944,905
23.3 Communications, utilities, and misc.	324,925	290,866	297,337
24.0 Printing and reproduction	15,800	25,084	24,789
25.1 Advisory and assistance services	339	346	353
25.2 Other services	7,092,112	6,427,241	6,537,482
25.3 Purchases of goods and services from Government accounts	468,399	434,162	426,031
25.4 Operation and maintenance of facilities	607,861	716,258	666,663
25.7 Operation and maintenance of equipment	43,537	45,407	46,361
26.0 Supplies and materials	2,367,632	2,267,067	2,269,095
31.0 Equipment	700,595	747,064	735,610
32.0 Lands and structures	44,335	63,698	83,892
33.0 Investments and loans	0	0	0
41.0 Grants, subsidies and contributions	2,026	6,044	45
42.0 Insurance claims and indemnities	102	84	86
43.0 Interest and dividends	182,315	188,055	174,124
90.0 Undistributed (net)	0	0	0
<b>99.9 TOTAL OBLIGATIONS</b>	<b>\$ 15,676,184</b>	<b>\$ 15,441,145</b>	<b>\$ 15,465,429</b>

NOTE: All data exclude the Federal Consumer Information Center, financed under the VA/HUD Appropriations Act; these obligations are (\$000): \$6,558 for FY 1999, \$6,595 for FY 2000, and \$10,536 for FY 2001.



# General Services Administration

## FY 2001 BUDGET SUMMARY AND HIGHLIGHTS

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### ACQUISITION WORKFORCE EDUCATION AND TRAINING FY 2001 BUDGET DATA

As prescribed by 41 U.S.C. 433(h), following are funding levels included in the FY 2001 program for education and training of the acquisition workforce.

Organization	Amounts programmed for Acquisition Workforce Education and Training		
	FY 1999 Actual	FY 2000 Current	FY 2001 Request
<b>Federal Supply Service:</b> General Supply Fund	1,010,800	1,500,000	1,500,000
<b>Federal Technology Service:</b> Information Technology Fund	343,000	519,000	530,000
<b>Public Buildings Service:</b> Federal Buildings Fund	785,500	1,162,400	1,186,900
<b>General Management:</b> Working Capital Fund	15,000	15,000	15,000
<b>Office of Governmentwide Policy:</b>	Policy and Operations	27,000	27,000
	Working Capital Fund	16,000	16,000
<b>Total</b>	2,197,427	3,239,400	3,274,900

# General Services Administration

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### MISSION

Under its Policy activity, this appropriation provides for Governmentwide policy, evaluation, and asset management functions associated with real and personal property, supplies, vehicles, aircraft, information technology, electronic commerce, transportation and travel management, acquisition support, Advisory Committee Management, Federal Procurement Data Center, Workplace Initiatives, Regulatory Information Service Center, and the Catalog of Federal Domestic Assistance. The Office of Governmentwide Policy, working cooperatively with other agencies, provides the leadership needed to develop and oversee the implementation of policies designed to achieve the most cost effective solutions for the delivery of administrative services, while reducing regulations and empowering employees.

Under its Operations activity, the account provides for Personal Property Utilization and Donation, Critical Infrastructure Protection, Real Property Disposal, and Management and Administration programs. Personal Property programs include the utilization program which transfers excess personal property among Federal agencies and the donation program which gives surplus personal property to state agencies. Real Property programs include disposal of surplus real property by sale, exchange, lease permit assignment, or transfer, as well as the protection, maintenance, and disposition of excess and surplus property; appraisal of excess and surplus property, necessary environmental and cultural analyses, reuse planning, and real property utilization surveys. Critical Infrastructure Protection includes the Federal Intrusion Detection Network, the Federal Computer Incident Response Capability and the Computer Emergency Response Team. Management and Administration

includes Indian Trust Accounting, and administrative support of Congressional District and Senate State Offices.

### THE BUDGET IN SUMMARY

The fiscal year 2001 budget request of \$144,980 thousand reflects a net increase of \$26,757 thousand over the amount for FY 2000 of \$118,223 thousand (see page PO-14 for additional details). The amount for fiscal year 2000 consists of \$116,223 thousand appropriated plus \$2,000 thousand for a pending supplemental appropriations request for the Critical Infrastructure Protection program. The net change of \$26,757 thousand consists of \$6,049 thousand for Office of Governmentwide Policy, \$13,400 thousand for Critical Infrastructure Protection, \$3,300 thousand for protection and maintenance for the Lorton Correctional Complex; \$3,382 thousand for other increases; and the transfer of up to \$8,000 thousand from balances in the Disposal of Surplus Real and Related Personal Property receipt account for costs related to the disposal of real property that are incurred by GSA on behalf of landholding agencies before the disposal is completed.

These increases are partially offset by reductions of \$3,700 thousand for the transfer of the Federal Information Center (FIC) program to the Federal Consumer Information Center appropriation account; \$2,000 thousand for the Digital Learning Technologies Program; \$275 thousand for the Virtual Archive Storage Feasibility Study; and \$1,399 thousand for the protection and maintenance of Governors Island.

The budgetary changes reflected above do not include the impact of funds transferred to this account in fiscal years 1999 and 2000 from the Year 2000 (Y2K) Emergency appropriation authorized by P.L. 105-277.

# General Services Administration

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### POLICY

The Office of Governmentwide Policy (OGP) develops and implements Governmentwide policies that seek to maximize opportunities for agencies' utilization of best management practices. OGP programs are intended to increase agencies' effectiveness in the conduct of their programs, encourage innovations and efficiencies, and assure responsible asset management.

The primary program functions of the OGP include policy, planning, and oversight associated with real and personal property asset management, transportation, information technology, acquisition, regulatory information, electronic commerce, and Federal advisory committees.

### Real Property

The OGP provides leadership to the Federal community in the use and management of real property. It encourages the adoption of best practices for use by the Federal real estate community. It is responsible for the development, coordination, administration and issuance of Governmentwide real property guidelines, regulations, standards, criteria, policies and asset management principles concerning real property programs. Real property programs include real estate operation and management, acquisition, disposal, design and construction, space standards, delegations, safety and environmental issues, and workplace initiatives including child care, telecommuting and cooperative administrative support units (CASU's). We intend to explore Governmentwide solutions to real property by: (1) collecting and communicating information to Congress concerning the Federal Government's total real property portfolio within the Executive Branch; (2) providing guidance to other agencies to assist them in the most cost-effective management of their own

individual portfolios; and (3) providing other agencies with a means of obtaining the tools and techniques that are necessary to manage and operate federal assets.

The OGP facilitates public/private information sharing for real property use. Through comprehensive study of space-use standards and best practices in both sectors, the OGP has developed policy recommendations for improving real property management and space utilization across the Federal Government.

The following represent several projects that OGP collaborated on with other Federal agencies and private sector professional real estate groups in fiscal year 1999.

**Integrated Workplace:** The OGP report, "The Integrated Workplace", describes a collaborative, multidisciplinary process for developing workspace that aligns an organization's strategic real property plan with its strategic business goals. This process can provide work environments that increase productivity, improve employee health and satisfaction, and make better use of resources.

**Strategic Storage:** In July 1999, OGP released its study on improving storage practices in the Federal Government's 467 million square feet of owned and leased warehouse space. The study compares storage practices of the Federal Government and the private sector in Florida, Georgia, and Tennessee; identifies space-sharing opportunities and highlights emerging trends in warehousing technologies.

Two other studies completed by the OGP were the: (1) **Workplace Evaluation Study** that shifts the basis for real property performance measurement from a facilities orientation (cost per square foot, vacancy rate) to a workplace orientation (productivity, employee satisfaction); and, (2) **Govern-**

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**mentwide Real Property Information Sharing (GRPIS) Studies** which resulted in the successful establishment of a Federal Real Property Information Sharing Council in Boston and South Florida. A successful pilot was previously conducted in Washington State. The studies and councils encourage sharing real property information and assets to save resources and improve effectiveness.

### Information Technology

OGP's Office of Information Technology plans, develops and directs Governmentwide activities to support the Office of Management and Budget (OMB), inter-agency committees, and other Federal agencies and provides leadership and guidance on the acquisition, management and use of information technology (IT). Specific program activities include: (1) improving the effectiveness of the Government workforce by promoting guidelines and principles for the installation and management of electronically assisted government; (2) providing policy, technical and program development leadership for an accessible technology-augmented work environment for people with disabilities, in support of Public Law 105-220; (3) providing technical support and assistance to Federal, State, local and international governments and the President's Council on Year 2000 Conversion in meeting the Year 2000 challenge; (4) developing and managing interagency programs to improve the management of information technology resources and to increase the efficiency and effectiveness of Government; (5) providing technical and management services to interagency IT groups such as the CIO Council, Government IT Services Board, and IT Resources Board mandated by Executive Order 13011; (6) managing professional development programs to assist agencies in successful acquisition, management and use of information technology; and (7) developing, issuing and

maintaining policies and regulations for the creation and maintenance of electronic Federal records.

The OGP works with over 70 inter-agency groups, including local, state and other national governments in developing and refining IT related Governmentwide policies. The OGP is leading the effort to resolve intergovernmental IT issues including the G-7 Government On-Line Project, which emphasizes innovation in service delivery to citizens.

Also, the OGP provided full time support and leadership to the President's Council on Year 2000 (Y2K) Conversion and the Chief Information Officer's Committee on Y2K. Support activities included managing and maintaining four Y2K web sites, making arrangements for meetings, facilitating monthly Federal/State Y2K teleconference calls, managing procurement actions, and keeping accountability of Y2K Emergency Funds. A Federal/State Data Exchange Database on Y2K compliance was developed along with extensive outreach activities.

In fiscal year 1999, OGP began a number of initiatives to help agencies implement new legislation requiring Federal agencies to ensure access for all employees to the information technology used on their programs.

### Transportation and Personal Property

The OGP leads Governmentwide development and evaluation of issues, legislation, policies and objectives related to travel, transportation and personal property management. Specific responsibilities include: (1) developing policies for Governmentwide freight and household goods transportation, transportation audit and documentation, and mail management programs; (2) developing regulations and procedures governing the management and oversight of Federal

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agencies' motor vehicles; (3) developing regulations, policies, and procedures for aircraft procurement, management, operations, safety, utilization and disposal; (4) developing the policies and regulations governing civilian agencies' travel, per diem rates (maximum reimbursement levels) for Federal travelers; and (5) developing legislation and regulations governing the management of Federal personal property.

In fiscal year 1999, the OGP completed implementation of the changes mandated by the Travel and Transportation Reform Act (PL 105-264). The Act requires GSA to issue regulations on the: (1) use of the Federal contractor-issued travel charge card; (2) late payment fees on travel vouchers; (3) required prepayment audit of all bills from carriers and freight forwarders; and, (4) reimbursement to employees for income taxes incurred on travel and transportation reimbursements received. The Act also provides the authority to conduct travel and relocation expense test programs.

The OGP has been working to develop state-of-the-art management information systems for vehicles and personal property disposition. The Federal Aviation Interactive Reporting System (FAIRS) will replace the old Federal Aviation Management Information System (FAMIS) for aircraft. This new information system will be used to collect and report aviation management data. OGP is now working on digital security for FAIRS. The FAIRS' computers will be housed in a controlled-access facility at the Department of Energy. These new systems will help GSA and all Federal agencies measure their performance. The OGP also rewrote the major parts of the Federal Travel Regulation in plain language, streamlined regulations in personal property disposition and aircraft management, and revitalized interagency committees for mail, freight and personal property.

In partnership with agencies that manage vehicles and aircraft, the OGP has developed performance measures that promote effective and efficient fleet management Governmentwide. In addition, the OGP is helping other agencies comply with legislation requiring an increase in the number of alternative-fuel vehicles in their fleets, and has automated license plate assignments.

The OGP actively participated in the creation of a Computers for Learning web site that allows Federal agencies to match their available equipment with the needs of schools nationwide. The OGP continues to work closely with the Office of the Vice President, the Department of Energy and the Office of Management and Budget to ensure that agencies transfer unneeded Federal computer equipment to schools.

### **Electronic Commerce**

The OGP develops Governmentwide policies for the implementation and use of electronic commerce. Specific responsibilities include: ensuring consistent agency implementation of Governmentwide Electronic Commerce (EC) plans; developing policy frameworks to support key EC applications and interoperability; identifying, promoting and leveraging innovative EC practices; and supporting the Governmentwide use of commercial EC standards. Two major areas of focus are: (1) an Electronic Commerce Program Office to monitor and support interagency efforts for the implementation of electronic commerce; and (2) working with other agencies and the commercial sector to develop and promote the use of standardized technologies leading to a more streamlined, electronic government. A major portion of this effort supports the President's Management Council's Electronic Processing Initiatives Committee guidelines set forth in the Electronic Commerce for Buyers and Sellers, "A Strategic Plan for Electronic Federal Purchasing and

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Paying". This report describes the issues related to procurement metrics for electronic commerce; suggests EC measures for Governmentwide acceptance, and makes recommendations for implementing EC measures that are specified in Section 30(e)(4) of the Office of Federal Procurement Policy (OFPP) Act. OGP has also supported the National Electronic Benefits Transfer (EBT) Program. The EBT program works with States and other Federal Agencies to expand and enhance current EBT systems to deliver Government benefits, such as food stamps, electronically.

Another effort the OGP is pioneering is the use of the smart card for Federal employees. The card is embedded with a microchip that can: (1) be loaded with such information as user identity and limitations on purchases; and (2) serve as both credit and debit cards. One smart card can enable the user to purchase a wide variety of items, such as computers, telephone calls, and gasoline, leading to further streamlining of Federal acquisition programs.

Also, the OGP is leading an interagency team in support of Access America for Students. The team's aim is to provide college students with secure access to Internet-based government information and financial services.

million contract actions. The OGP chairs the 14-agency Civilian Agency Acquisition Council that collaborates with the Defense Acquisition Regulations Council to develop changes to the Federal Acquisition Regulations (FAR). The two Councils have formed 25 interagency teams of technical experts in procurement to advise on FAR changes.

This program area also provides for management of the Acquisition Reform Network (ARNet), an Internet-based storehouse of acquisition information. ARNet serves as the entryway to various databases such as the Federal Acquisition Regulation, the Commerce Business Daily, the List of Parties Excluded from Federal Procurement and Nonprocurement Programs, and electronic catalogs such as GSA Advantage.

The OGP compiles Governmentwide information on over 1,400 Federal assistance programs from 57 Federal agencies, departments and other sites into the annual "Catalog of Federal Domestic Assistance" and its semi-annual update. The catalog is published in hard copy, CD-ROM, and on the Internet. It is available to Federal, state and local governments, and the public.

### **Acquisition**

The OGP's Office of Acquisition Policy supports the Federal acquisition system, through which the Government obligates more than \$200 billion annually. Responsibilities include researching, developing, and publishing policy guidance; providing career development services for the Federal acquisition workforce, including the development of acquisition training programs and materials; as well as reporting on more than 20

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In fiscal year 1999, the OGP completed the validation and verification of the Electronic Posting System (EPS) Pilot. This system will be used for advertising solicitations online. Currently, eight (8) agencies, including GSA are using the system to post procurement opportunities. In fiscal year 2000, a security certification and accreditation will be completed in compliance with statutory requirements.

Also in fiscal year 1999, the OGP's Federal Acquisition Institute (FAI) established an Online University open to all Federal procurement officials. FAI is partnering with Arizona State University and the National Association of Purchasing Managers to develop Internet-based education and training for public and private sector acquisition professionals.

### **Other Governmentwide Policy Responsibilities**

The OGP, through the Committee Management Secretariat, plans, develops, evaluates and directs a Governmentwide program for maximizing the value of public participation in Federal decision making. In fiscal year 1999, the Secretariat expanded its Internet site to permit committees to submit on-line reports and introduced training via CD-ROM that links to the Internet site and helps committee members and managers understand their roles and participate more effectively.

The Regulatory Information Service Center (RISC) is responsible for compiling and analyzing data on both Governmentwide and agency specific activities in support of the regulatory oversight role of the Executive Office of the President. The Center also maintains a comprehensive Internet site of regulatory information that provides links to sources of information on Federal, State, and local regulations.

The Workplace Initiatives program provides leadership to the Federal community for programs designed to provide Federal employees with family-friendly cost effective and accessible workplaces. These programs include fostering the development of child care centers; enhancing cooperative administrative support among Federal agencies; promoting alternative worksite arrangements; and facilitating support mechanisms among Federal agencies, State and local governments, nonprofit organizations, and the private sector to ensure that Federal facilities are accessible to citizens with disabilities.

GSA is a leader in designing and managing quality childcare facilities. As of the close of fiscal year 1999, GSA had opened 113 childcare centers in Federal facilities to meet the growing demand for affordable quality childcare close to the workplace. Seventy percent of GSA's childcare facilities are professionally accredited, a far higher proportion than the five percent accreditation rate for all childcare centers nationwide. More than 7,600 children are served in GSA's facilities. In fiscal year 1999, we made computers and Internet access available to all the childcare centers so that even the youngest members of the Federal family can ride the information superhighway.

### **Reimbursable Policy Activities**

In addition to its appropriated policy activities, the OGP provides related support to Federal agencies and other customers on a cost reimbursable basis. These services include: (1) information technology acquisition and system implementation training to Federal managers through the Trail Boss program; (2) the Strategic and Tactical Advocates for Results Program, which is an intensive two week training seminar focusing on Program and Project Management, Leadership, Security, Technology and Government; (3) the Information Resources Management Conference, which covers

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ADP, telecommunications and records management; (4) collection, and dissemination of Governmentwide data through the Federal Procurement Data System and the Federal Assistance Programs Retrieval System; and (5) enabling agencies to manage their real property assets more effectively through the Foundation Information for Real Property Management (FIRM) system by customizing the system to meet unique agency needs. Currently, FIRM software is being upgraded to provide full integration with the GSA System for Tracking and Administering Real Property. The integration will enable agency customers to electronically analyze the rent bills paid to GSA.

### OPERATIONS

The Operations activity provides for the Real Property Disposal, Personal Property Utilization and Donation, and Critical Infrastructure Protection programs. The Operations activity also provides for Management and Administration, which includes the internal policy, management, oversight and coordination of all GSA programs by the Administrator, Deputy Administrator, Regional Administrators and the Heads of GSA Staff Offices.

#### Real Property Disposal

In line with the GSA mission, the Public Buildings Service supports the accomplishments of our customers' programs by providing real property disposal services in a timely and cost effective manner. This program promotes the maximum utilization and efficient redeployment of Federally owned real property through Federal transfers (property transferred to another Federal agency), public benefit discount conveyances (property conveyed to state and local governments and eligible non profit organizations at or below market value), and negotiated and public sales. This program

receives direct and reimbursable funding. The direct program provides services related to utilization and disposal by sale, exchange, or transfer of surplus real property reported as excess to GSA from agencies without disposal authority. These direct program properties actually belong to the GSA inventory, and as such the proceeds from sale are deposited into the GSA receipt account. The reimbursable program provides similar services for agencies with their own disposal authorities on a fully reimbursable basis. These reimbursable properties do not come into the GSA inventory; they remain the property of the landholding agency. After the sale of these properties, GSA is reimbursed for its expenses, and the remainder of the proceeds is returned to the land holding agency. Examples of landholding agencies with their own disposal authority are the Department of Veterans Affairs, U.S. Marshals Service, U.S. Postal Service, and the Department of Transportation. The Department of Defense has disposal authority delegated by GSA under statute (Federal Property and Administrative Services Act of 1949 and P.L. 101-510, entitled National Defense Authorization Act for fiscal year 1991). Over the past ten years GSA has provided \$2.3 billion in real property proceeds to Federal landholding agencies for their ultimate use.

The fiscal year 2001 budget will provide for RPD to continue to be the provider of choice for quality, cost-efficient, timely, and expert Federal real property redeployment activities. Specifically, the fiscal year 2001 budget provides \$6,058 thousand, without fiscal year limitation, for environmental remediation and protection and maintenance costs related to GSA acting as the landholding and disposal agency for the Lorton Correctional Complex. This amount represents a net increase of \$3,300 thousand over fiscal year 2000 funding. The fiscal year 2001 request also provides \$689 thousand for increases in salary costs and



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the costs of goods and services, \$800 thousand for FinanceNet, and \$599 thousand for increased utilization workload. In addition Property Disposal is requesting appropriation language authorizing the transfer of up to \$8,000 thousand from balances in the "Disposal of surplus real and related personal property" account for costs related to the disposal of real property that are incurred by GSA on behalf of landholding agencies before the disposal is completed.

GSA became responsible for protection and maintenance of the U.S. Coast Guard Support Center, Governors Island, New York in October 1998. The total fiscal year 2001 request is \$8,601 thousand, without fiscal year limitation, for Governors Island Protection and Maintenance. The fiscal year 2001 funding request of \$8,601 thousand is a decrease of \$1,399 thousand over the \$10,000 thousand that was appropriated in fiscal year 2000. This protection and maintenance request is based on information provided by the U.S. Coast Guard which reflects their historical costs and knowledge of the repairs needed to prevent major deterioration of the property prior to its sale.

### Real Property Disposal Highlights

By reengineering the disposal process and the utilization program, significant time and costs savings to our customers and taxpayers at large were realized. In fiscal year 1999 RPD disposed of 242 properties. These properties had a total value of \$447.9 million (exceeding the goal of \$421 million) and produced \$312 million in proceeds of which \$297.5 million was returned to other federal agencies and \$14.5 million was retained by GSA from properties covered under the Federal Property Act. Sixteen of these properties, worth \$55.3 million were transferred between Federal agencies and 90 properties with a value of \$80.6 million were conveyed to State and local governments

and eligible non-profit institutions for public benefit purposes.

GSA has already identified nine potential properties that could be sold in fiscal year 2001. These nine properties are anticipated to generate an estimated \$52 million in receipts. GSA is also anticipating \$3 million in receipts for a portion of Lorton Correctional Complex and \$5 million for miscellaneous Brownfields properties.

GSA's RPD is improving operational and programmatic effectiveness and efficiency by establishing an aggressive Customer Outreach and Marketing Program, to ensure superior customer relations with existing customers and to reach new customers. Another GSA Property Disposal initiative is to maintain and continue developing new computer systems (hardware and software, Internet and Intranet) to ensure data accuracy, and the visual display of RPD's homepage of properties offered for sale on the World Wide Web.

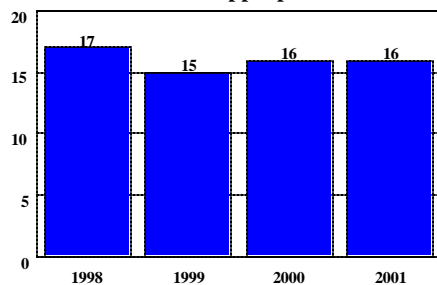
GSA's RPD performance measure is the rate of return on an appropriated dollar. This measure provides results of disposal actions already completed by RPD and those projected for the future. The rate of return on an appropriated dollar provides information about how much in proceeds are returned to the Treasury for each dollar expended by RPD in the disposal process. This measure will continue to be refined to include a series of ratios and measures of costs and proceeds data that will be activity-based. The results of these activity-based measures will provide information on the efficiencies and effectiveness of the RPD program from an operational and programmatic perspective. The program emphasis is to provide the American taxpayer with the highest rate of return for their investment.

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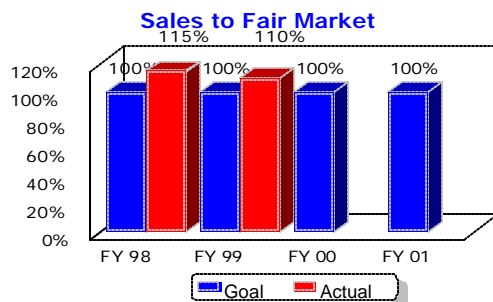
## POLICY AND OPERATIONS

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Average Return on Every  
Dollar Appropriated



GSA makes every effort to achieve the goal of ensuring that the Federal Government receives full value for the sale of real property and produces quarterly results on Actual Sales Value to Fair Market Value. As a competitive service provider, GSA seeks to optimize the use of scarce resources while returning the maximum residual value of real property to the Government.



To support the development of additional performance measures, GSA's RPD organization has developed an Activity Based Costing (ABC) operating system to provide improved information concerning full cost and income of its business activities, projects, and cases. Once the ABC system is fully implemented it will help GSA's RPD organization determine projected resource needs, improve management of operations and costs, and understand full costs of services leading to full cost recovery from customers. The ABC system will provide activity cost information to identify opportunities for cost avoidance and to monitor cost performance goals, and ultimately help RPD make sound strategic and operational decisions.

### Critical Infrastructure Protection (CIP)

GSA's Office of Information Security (OIS) manages several initiatives in support of Presidential Decision Directive-63, "The Clinton Administration's Policy on Critical Infrastructure Protection." The Federal Computer Incident Response Capability (FedCIRC) is a collaborative partnership drawing on the skills and resources within government, academia and the private sector to address computer security related incidents. Federal civilian agencies turn to FedCIRC for assistance in identifying, containing and recovering from adverse events that impact on the confidentiality, integrity or availability of information traversing the critical information infrastructure. The FedCIRC effort relies on an existing contract with the Carnegie Mellon University's Computer Emergency Response Team (CERT) which serves as the operational core for incident handling and response activities. The Federal Intrusion Detection Network (FIDNet) under the Federal Computer Incident Response Capability provides the ability to identify, isolate and analyze hostile activities or misuse of federal information technology resources. FIDNet supports a central analysis facility to detect and respond to unauthorized intrusions or otherwise hostile activities targeting critical information components of the Federal infrastructure. It is specifically designed to correlate those intrusion events which cross agency boundaries. Existing FedCIRC relationships with the National Infrastructure Protection Center, the National Security Incident Response Center and other emergency response teams within Federal government provide a medium through which intrusion and security related information might be shared to prevent or minimize the effects of anomalous activities and events.

The additional \$13,400 thousand requested for these programs assumes that \$2,000

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## POLICY AND OPERATIONS

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thousand will be funded in FY 2000 through a supplemental appropriation.

### **Personal Property Utilization and Donation Program**

GSA is committed to satisfying the Federal Government's requirements for supplies, equipment, and services at the least cost to the taxpayer. The Personal Property Utilization and Donation program supports this commitment. This program makes the most of tax dollars invested in Government-owned personal property by helping avoid outlays for new purchases by transferring one agency's excess to another that can use it, and by donating surplus Federal property to states or localities, again providing taxpayer savings by avoiding new government procurements.

FSS maintains the Federal Disposal System (FEDS) which maintains Governmentwide inventory of excess personal property and processes transfers of property to Federal agencies and to State and local governments. FEDS is accessible nationwide through the Internet.

The Personal Property Utilization and Donation program is monitored on a continual basis using the following performance measures:

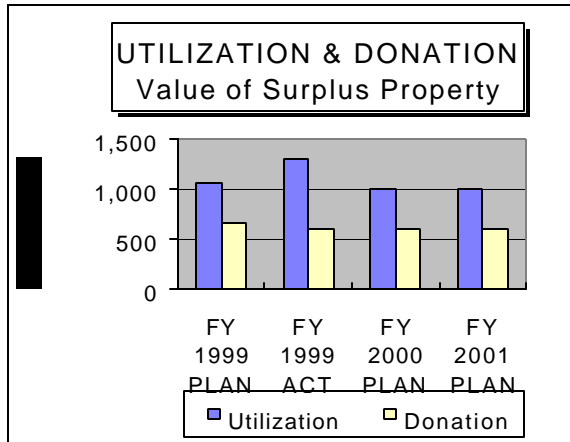
- New Expenditures Avoided
- Transfers per FTE
- Customer Satisfaction

In fiscal year 1999, the utilization program generated \$1.3 billion in savings for agencies, which were able to reuse personal property no longer needed by other Federal agencies. Estimated savings for fiscal years 2000 and 2001 are \$1.0 billion. Also, during fiscal year 1999 the donation program gave \$0.6 billion in surplus usable property to states for donation to public agencies and certain non-profit tax-exempt activities. FSS is also assisting in the implementation of the President's program to donate computers to schools. Donations for fiscal years 2000 and 2001 are valued at \$0.6 billion.

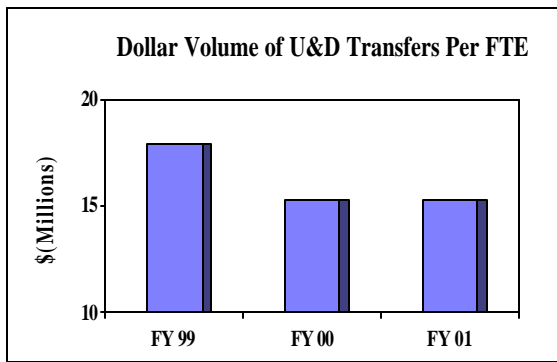
The consolidated business volume for the utilization and donation of excess and surplus personal property for fiscal year 1999 was \$1.9 billion, with \$1.6 billion projected for fiscal years 2000 and 2001 (see following chart). As a result of budget constraints and the expansion of authority to use disposal proceeds for property replacement, more agencies are disposing of the higher valued property through sales and utilizing the proceeds towards new procurements. These properties will not be going through the utilization and donation phase of the process. We anticipate that property of lesser value will continue to move through our disposal system and expect that the overall volume (number of lines of property) which impacts workload will only be slightly affected.

# General Services Administration

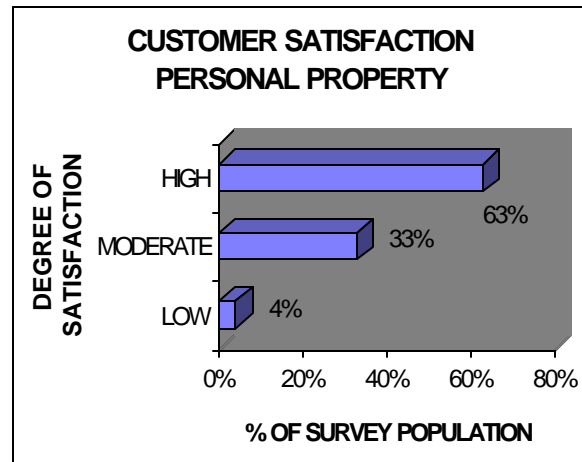
## POLICY AND OPERATIONS



While costs for personal property management programs remain relatively stable, in fiscal year 2001 the value of excess property moving through the disposal system is expected to decrease. The number of lines of property is not expected to decrease. The following chart reflects the dollar volume of utilization/donation transfers per FTE.



Data shown below is from the latest customer satisfaction survey conducted in fiscal year 1997. The survey was distributed to the entire 2,100-property management customer database. Final analysis and the report were completed in November 1997. A new survey has been conducted and we are awaiting a final report from the consultant organization that performed the survey on our behalf.



### Management and Administration

This program area supports management and administrative activities associated with GSA internal operations. These activities include: (1) the Office of the Administrator; (2) the Regional Administrators and their staffs; (3) the Offices of Congressional and Intergovernmental Affairs; (4) the Office of Communications; (5) administrative support of Congressional District and Senate State offices; (6) the Office of Emergency Preparedness; (7) the Indian Trust Accounting division; and (8) the GSA Board of Contract Appeals. Below are brief descriptions and accomplishments of some of these organizations.

### **Administrator and Regional Administrators**

The Administrator and Regional Administrators of GSA are responsible for the execution of all functions assigned to GSA by the Federal Property and Administrative Services Act of 1949, as amended, and by other laws. These officials are responsible for planning, coordinating, and supervising assigned programs in accordance with Central Office goals, objectives, and policies.

# **General Services Administration**

## **POLICY AND OPERATIONS**

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### **Office of Congressional and Intergovernmental Affairs**

The Office of Congressional and Intergovernmental Affairs acts as GSA's liaison with Congress. The Office coordinates meetings and testimony on Capitol Hill for the Administrator and other agency senior staff, helps congressional offices solve GSA related problems; coordinates responses to congressional inquiries; and supports the GSA legislative program through Congress.

### **Emergency Management**

In fiscal year 1999, the Office coordinated GSA's provision of more than \$53 million in services, supplies, equipment and materials a part of the Federal response to 63 natural disasters.

### **Indian Trust Accounting**

The division is responsible for providing accounting services to the Department of Justice on Indian Trust Funds and assisting in the Government's defense against Indian Tribal claims by providing accounting reports, other evidentiary materials, and expert witness testimony pertaining to accounting policies, practices, and procedures.

### **Office of Communications**

The Office of Communications is GSA's communications, media relations and marketing department, with primary responsibility for fashioning the agency's message and disseminating information to the press, the public, other Government offices and GSA employees.

### **Congressional Support**

GSA provides support to 1,391 home-state offices for Senators and members of Congress. This support includes office space, furniture and furnishings, property disposal, equipment and supplies, and storage and relocation services. GSA also provides a Congressional Services representative in each GSA region as the contact point for all matters pertaining to Congressional, state and district offices.

# General Services Administration

## POLICY AND OPERATIONS

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### GSA Board of Contract Appeals

The GSA Board of Contract Appeals (BOCA) was established under the Contract Disputes Act of 1978 as an independent tribunal to hear and decide contract disputes between Government contractors and GSA. The BOCA also hears and decides disputes between contractors and other Executive agencies, including the Department of Treasury, the Department of State, the Department of Commerce, and the Department of Education.

Additionally, the BOCA hears and decides claims involving transportation rate determinations, travel and relocation expense claims, and claims for the proceeds of the sale of property of certain federal civilian employees.

The BOCA also provides alternative dispute resolution services to Executive agencies both in contract disputes that are the subject of a contracting officer's decision, and in other contract-related disputes.

### BOARD OF CONTRACT APPEALS

Case Workload	FY 1999 Actuals	FY 2000 Current	FY 2001 Request	Percent Change
1. Appeals				
a. Cases received	194	190	190	0%
b. Cases closed	181	190	190	0%
c. Cases pending	189	189	189	0%
2. Transportation Rate				
a. Cases received	47	15	15	0%
b. Cases closed	50	15	15	0%
c. Cases pending	6	6	6	0%
3. Travel				
a. Cases received	35	40	40	0%
b. Cases closed	41	40	40	0%
c. Cases pending	5	5	5	0%
4. Relocation				
a. Cases received	130	130	130	0%
b. Cases closed	127	130	130	0%
c. Cases pending	47	47	47	0%
5. Other				
a. Cases received	27	30	35	17%
b. Cases closed	20	30	35	17%
c. Cases pending	12	12	12	0%

# General Services Administration

## POLICY AND OPERATIONS

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### POLICY AND OPERATIONS \$(Thousands)

	FY 1999 Actual	FY 2000 Current	FY 2001 Request	FY 2000/2001 Change
<b>Direct Program:</b>				
Policy	50,705	52,000	55,774	+ 3,774
Operations:				
Basic Program	57,410	51,465	51,147	-318
Critical Infrastructure Protection	--	<sup>1/</sup> 2,000	15,400	+13,400
Lorton No Year Funds	--	2,758	6,058	+ 3,300
Governors Island No Year Funds	<sup>2/</sup>	10,000	8,601	- 1,399
Appropriation from Receipts	--	--	8,000	+ 8,000
Total Operations	57,410	66,223	89,206	+22,983
Total Basic Program	108,115	118,223	144,980	+26,757
Transfers from DC Govt. Approp.:				
FY 99 Lorton Transfer No Year	2,223	4,777	--	- 4,777
FY 00 Lorton Transfer No Year	--	6,675	--	- 6,675
Total Lorton Transfers	2,223	11,452	--	- 11,452
Year 2000 Emergency Program:				
FY 99 Year 2000 Transfer	40,489	37,401	--	- 37,401
FY 00 Year 2000 Transfer	--	14,674	--	- 14,674
Total Year 2000 Transfers	--	52,075	--	- 52,075
Total Obligations	150,827	181,750	144,980	- 36,770
<b>Reimbursable Program:</b>				
Policy	3,387	3,500	3,500	--
Operations	7,211	13,600	17,100	+ 3,500
Total Reimbursable	10,598	17,100	20,600	+ 3,500
<b>Net Outlays</b>	139,590	199,000	142,500	- 56,500
<b>Employment (FTE):</b>	679	620	629	+ 9
Direct	663	603	612	+ 9
Reimbursable	16	17	17	--

<sup>1</sup> FY 2000 Operations includes planned supplemental of \$2,000 thousand for Critical Infrastructure Protection Program. <sup>2</sup> Annual Funding of \$10 million included in basic program for fiscal year 1999.

# General Services Administration

## POLICY AND OPERATIONS

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### EXPLANATION OF ESTIMATES

Policy and Operations, Direct and Reimbursable programs support the GSA mission in providing direction and coordination of comprehensive Governmentwide programs.

#### Direct Program

The budgetary changes reflected below do not include the impact of funds transferred to this account in fiscal years 1999 and 2000 from the Year 2000 Emergency appropriation authorized by P.L. 105-277.

#### **Policy**

The fiscal year 2001, Office of Governmentwide Policy (OGP) request reflects a net increase of \$3,774 thousand. Included in this request are increases in salary costs and the cost of goods and services totaling \$1,445 thousand. Program increases for the Office of Governmentwide Policy consist of: (1) \$2,000 thousand in support of the Regulatory Information Service Center (RISC) and the Office of Management and Budget's Office of Information and Regulatory Affairs' (OIRA) Consolidated Information System (ROCIS) upgrade. This upgraded system will link data among three databases and use the Internet as the primary data dissemination mechanism. ROCIS will include a series of management reports to permit the Executive Office of the President and the public to view reports on pending items at the OIRA, such as: (a) statistical summaries of the Federal Government's regulatory activity; and, (b) what regulatory activity is under development; (2) \$2,060 thousand to support Electronic Government infrastructure which will benefit not only the Federal community but vendors and citizens equally; (3) \$215 thousand for the Computers for Learning Program to support and promote responsible asset management;

and, (4) \$329 thousand to support the increase in the Centralized Administrative Support payment to the General Services Administration's (GSA) Working Capital Fund.

These increases are offset by reductions of \$2,000 thousand for the Digital Learning Technologies Program and \$275 thousand for the Virtual Archive Storage Feasibility Study.

#### **Operations**

The Operations Program area is requesting increased funding totaling \$22,983 thousand. Included in this request are increases in salary costs and the cost of goods and services totaling \$1,840 thousand.

Program changes for the Operations program area include: (1) \$13,400 thousand for the Critical Infrastructure Protection Program; (2) \$3,300 thousand increase for protection and maintenance related to GSA acting as the landholding and disposal agency for the Lorton Correctional Complex; (3) \$599 thousand increase to the Real Property Utilization Program; (4) \$800 thousand increase for FinanceNet; (5) \$143 thousand to support the increase in the Centralized Administrative Support payment to the GSA Working Capital Fund; and (6) the transfer of up to \$8,000 thousand from balances in the Disposal of Surplus Real and Related Personal Property receipt account for costs related to the disposal of real property that are incurred by GSA on behalf of landholding agencies before the disposal is completed.

The Operations program area increases are partially offset by the reduction of \$3,700 thousand for the transfer of the Federal Information Center (FIC) program to the Federal Consumer Information Center appropriation account; and a reduction of



## **General Services Administration POLICY AND OPERATIONS**

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\$1,399 thousand for the protection and maintenance of Governors Island.

### **Reimbursable Program**

The Policy and Operations reimbursable account provides reimbursable services to other Federal agencies including: (1) \$2,100 thousand for personal property services; (2) \$12,000 thousand for: (a) real estate disposal services for specialized properties outside the purview of the Federal Property and Administrative Services Act of 1949; and, (b) real property seized, forfeited, or foreclosed on by other agencies such as the U.S. Marshals Service, Department of Housing and Urban Development, Internal Revenue Service, and the Small Business Administration; and, (3) \$3,500 thousand for reimbursable programs of the Office of Governmentwide Policy which includes: (a) \$85 thousand to support graduates of the "Trail Boss" program's educational development; (b) \$650 thousand for the Strategic and Tactical Advocates for Results (STAR) Program.

STAR is an intensive two-week training seminar program that focuses on Program and Project Management, Leadership, Security, Technology and Government. STAR emphasizes results-based management as well as information technology as a strategic resource; (c) \$350 thousand for the Information Resources Management (IRM) Conference which covers the broad spectrum of ADP, telecommunications and records management; (d) \$1,500 thousand for the Chief Information Officer's Council, a forum to improve the design, modernization, performance and use of IT resources; (e) \$85 thousand for the InterAgency Electronic Grants Committee (IAEGC) which is a Governmentwide electronic grants working group established to coordinate, promote and facilitate the effective use of electronic commerce throughout the Federal grants community; (f) \$80 thousand for training associated with implementation of the federal Advisory Committee Act; (g) \$600 thousand to provide procurement support, training and advisory assistance; and, (h) \$150 thousand for the Foundation Information for Real Property Management (FIRM) system.

# General Services Administration

## POLICY AND OPERATIONS

POLICY AND OPERATIONS (DIRECT) Explanation of Budget Changes in Priority Order \$(Thousands)	
<b>FY 2000 Enacted Appropriation .....</b>	<b>116,223</b>
FY 2000 Pending Supplemental for the Critical Infrastructure Protection Program.....	2,000
<b>FY 2000 Current Level.....</b>	<b>118,223</b>
Governors Island Protection and Maintenance.....	- 1,399 <sup>1</sup>
Transfer of Federal Information Center to the Federal Consumer Information Center.	-3,700
Digital Learning Technologies.....	-2,000 <sup>2</sup>
Virtual Archive Storage Feasibility Study .....	-275 <sup>2</sup>
Increased Pay Costs and Increased Cost of Goods and Services.....	3,285
Increase for Working Capital Fund Centralized Administrative Support.....	472
Lorton Correctional Complex, Protection and Maintenance.....	3,300
Critical Infrastructure Protection Programs.....	13,400
Electronic Government .....	2,060 <sup>2</sup>
RISC/OIRA Consolidated Information System (ROCIS).....	2,000
Disposal of Real Property from Proceeds.....	8,000
Computers for Learning.....	215 <sup>2</sup>
FinanceNet.....	800 <sup>1</sup>
Increased Workload for the Real Property Utilization Program.....	599 <sup>1</sup>
<b>FY 2001 Budget Request.....</b>	<b>144,980</b>

Note 1: The increases for FinanceNet and increased workload for the Real Property Utilization Program are offset by the decrease in Governors Island Protection and Maintenance.

Note 2: The increases for Electronic Government and Computers for Learning are offset by decreases for Digital Learning Technologies and the Virtual Archive Storage Feasibility Study.

# General Services Administration

## POLICY AND OPERATIONS

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<b>POLICY AND OPERATIONS</b> <b>(Direct)</b> <b>Obligations by Object Class</b> <b>\$(Thousands)</b>			
	<b>FY 1999 Actual</b>	<b>FY 2000 Current</b>	<b>FY 2001 Request</b>
Personnel Compensation:			
11.1 Full-time permanent	43,114	44,221	42,989
11.3 Other than full-time permanent	958	773	294
11.5 Other personnel compensation	1,911	3,840	2,654
11.9 Total personnel compensation	45,983	48,834	45,937
12.1 Civilian personnel benefits	8,532	9,441	9,064
21.0 Travel and transportation of persons	2,383	2,462	2,423
23.1 Rental payments to GSA	5,055	7,755	6,695
23.3 Communications, utilities and miscellaneous charges	1,649	2,586	2,270
24.0 Printing and reproduction	1,220	1,744	1,339
25.2 Other services	60,239	53,437	36,195
25.3 Purchases of goods and services from Government Accounts	18,122	34,775	30,542
26.0 Supplies and materials	663	1,142	831
31.0 Equipment	6,981	19,574	9,684
99.0 Subtotal direct obligations	150,827	181,750 *	144,980
99.0 Reimbursable obligations	10,598	17,100	20,600
99.9 Total obligations	161,425	198,850	165,580

\*Includes \$2 million for Critical Infrastructure Protection Program.

# General Services Administration

## POLICY AND OPERATIONS

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### APPROPRIATIONS LANGUAGE

For expenses authorized by law, not otherwise provided for, for Government-wide policy and oversight activities associated with asset management activities; utilization and donation of surplus personal property; transportation; procurement and supply; Government-wide responsibilities relating to automated data management, telecommunications, information resources management, and related technology activities; utilization survey, deed compliance inspection, appraisal, environmental and cultural analysis, and land use planning functions pertaining to excess and surplus real property; agency-wide policy direction; Board of Contract Appeals; accounting, records management, and other support services incident to adjudication of Indian Tribal Claims by the United States Court of Federal Claims; services as authorized by 5 U.S.C. 3109; and not to exceed \$5,000 for official reception and representation expenses, [\$116,223,000] \$136,980,000, of which [\$12,758,000] \$27,301,000 shall remain available until expended [*Provided*, That none of the funds appropriated from this Act shall be available to convert the Old Post Office at 1100 Pennsylvania Avenue in Northwest Washington, D.C., from office use to any other use until a comprehensive plan, which shall include street-level retail use, has been approved by the Senate Committee on Appropriations, the House Committee on Transportation and Infrastructure, and the Senate Committee on Environment and Public Works: *Provide further*, That no funds from this Act shall be available to acquire by purchase, condemnation, or otherwise the leasehold rights of the existing lease with private parties at the Old Post Office prior to the approval of the comprehensive plan by the Senate Committee on Appropriations, the House Committee on Transportation and Infrastructure, and the Senate Committee on Environment and Public Works]. In addition, not to exceed \$8,000,000 may be transferred from balances in the "Disposal of surplus real and related personal property" account for costs related to the disposal of real property that are incurred by GSA on behalf of landholding agencies before the disposal is completed: Provided, That such agencies shall reimburse such "Disposal" account for such costs from subsequent disposal proceeds, unless the disposal proceeds are not sufficient to cover these costs, in which case the agencies shall make these reimbursements from any other funds available to such agencies. (40 U.S.C. 485(b); Independent agencies Appropriations Act, 2000.)

### Explanation of Proposed Language Change

This proposed new language authorizes an appropriation of funds from balances in GSA's real property disposal receipt account to provide GSA with seed money to pay for disposal related costs incurred on behalf of landholding agencies. Most of these costs are incurred before the disposals are completed and may include the costs of land use studies, surveys, appraisals, title searches, and studies of the environmental and historical characteristics of the property. Funds appropriated for real property disposal to GSA's Policy and Operations account are intended only to cover GSA's costs related to disposing of excess and surplus real property for which it is responsible under the Federal Property and Administrative Services Act of 1949, as amended.

In the past several years, GSA has been asked for an increasing level of assistance in disposing of real property by landholding agencies which have their own disposal authority or disposal authority delegated to them by GSA under statute. When such property is sold, GSA is able to recover any up front disposal costs from the sale proceeds before transferring the remaining

## **General Services Administration POLICY AND OPERATIONS**

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proceeds to the landholding agency. GSA has to absorb the disposal costs for property that is transferred to other Federal agencies or donated to state or local governments.

The number, size and complexity of properties now being brought to GSA for disposal requires more up front spending than GSA is able to support from within its current appropriation. This proposed language will allow GSA to use balances in the disposal receipt account to pay these up front costs and require agencies to repay the receipt account from disposal proceeds. If disposal proceeds are not sufficient to cover GSA's costs, e.g., when a property is transferred or donated, agencies will be required to reimburse GSA from other funds available to them.

# General Services Administration

## GENERAL SUPPLY FUND

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### MISSION

The General Supply Fund (GSF) is a full-cost recovery, revolving fund that provides Federal agencies with services and supplies. These include a national supply distribution system, commercial products acquired directly from contractors at discount prices, professional services provided by major private sector firms, low cost vehicle acquisition and leasing, discounted travel and transportation services, and the sale of surplus and excess Federal personal property. The fastest growing area is the \$11.4 billion Federal Supply Schedules program, in which the greatest sales volume increases are associated with services contracts. The Schedules program has benefited from the Federal procurement reforms of the mid-1990s and provides a broad and expanding range of products and services.

The General Supply Fund consists of four business lines: Supply and Procurement, Vehicle Acquisition and Leasing Services, Travel and Transportation, and Personal Property Management. With few exceptions, these business lines are non-mandatory and, operating expenses are recovered in the prices charged Federal agencies.

### THE BUDGET IN SUMMARY

#### Supply & Procurement

The Supply and Procurement business line offers Federal agencies a choice of more than 4 million commercial products and an extensive range of technology, financial, environmental, management, and administrative services. Customers can purchase directly from more than 6,800 contracts through Federal Supply Schedule

contracts or shop using *GSA Advantage!™*, GSA's electronic shopping service. *GSA Advantage!™* allows Federal employees worldwide to compare prices, place orders, and make payments over the Internet. By purchasing through GSA customers benefit from consolidated purchasing, contracting expertise, and compliance with federal procurement and socioeconomic policies.

Supply and Procurement performance goals focus on reducing operating costs; expanding the range of products and services offered where it is cost-effective to do so; providing Federal agencies sources which will further the Government's socioeconomic goals; increasing customer satisfaction; and making more products and services available through GSA's electronic shopping and ordering system *GSA Advantage!™*.

The General Services Administration is currently reviewing the financial condition of the Federal Supply Service's national supply distribution system and the viability of operating the existing warehouses. Since this review has not been concluded, the financial and employment data shown in this budget reflect the continuation of the current stock program.

As a self-sustaining activity, the Supply and Procurement business line projects its operating expenses for fiscal year 2001 to be \$289.6 million, with a cost of goods of \$883.0 million.

#### Vehicle Acquisition and Leasing Services

The Vehicle Acquisition and Leasing Services business line provides customers with a centralized motor vehicle procurement function, whether they decide to let GSA purchase vehicles for them or to lease vehicles from the GSA-managed fleet.

# **General Services Administration**

## **GENERAL SUPPLY FUND**

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GSA is the Federal Government's mandatory source for purchases of new non-tactical vehicles. Through consolidated buying and competitive purchasing, this business line offers the Government significant savings on vehicle purchases. Leasing through GSA is not mandatory. Agencies that lease through GSA are provided with full service management, including a fleet services card for fuel and repairs. When vehicles meet specific age and mileage criteria, they are retired from the GSA fleet and marketed to the public, and the proceeds are reinvested to sustain a modern, cost-effective fleet.

GSA works with Federal customer agencies to encourage use of alternative fuel vehicles (AFVs). Federal agencies have the option of purchasing or leasing AFVs through GSA's Office of Vehicle Acquisition and Leasing Services. GSA has purchased over 27,000 AFVs since fiscal year 1991 – 23,000 of them for the GSA Fleet. By doing so, we have furthered our customers' efforts to comply with alternative fuel mandates and helped to stimulate development of an infrastructure to support environmentally friendly alternatives to the use of fossil fuels and foreign energy sources.

The Office of Vehicle Acquisition and Leasing Services' performance goals are to continue the substantial savings achieved through volume buying; to provide further efficiencies by consolidating more vehicles into the GSA Fleet; to hold increases in mileage fees as close as possible to the rate of inflation; to maintain a high customer-satisfaction level; and to support the Government's goals for the use of alternative fuel vehicles.

This business line is funded through a portion of the price charged agencies for vehicles purchased and from monthly and

per-mile fees for leases. Operating expenses for fiscal year 2001 are projected at \$115.0 million, with costs of goods/operations of \$1.193 billion.

### **Travel & Transportation**

The Travel and Transportation business line helps control the costs of Federal employee travel and transportation services. Travel services include negotiated airline contracts, travel agency services and travel charge card services. Transportation services include the shipment of parcels, freight and household goods.

In recent years, the Federal travel and transportation budgets have been approximately \$18 billion annually. Reducing costs by consolidating contracts and achieving administrative savings, this business line competes successfully for Federal business in its non-mandatory program areas as well as achieving significant savings for the Government in its mandatory Airline City Pairs program.

The Travel and Transportation performance goals focus on achieving significant savings on Federal travel, reducing Government transportation costs, and increasing customer satisfaction.

For fiscal year 2001, expenses for the fully reimbursable Travel and Transportation Services programs are projected at \$7.5 million.

### **Personal Property Management**

The General Supply Fund portion of this business line sells surplus Government personal property whose value cannot be extended through reutilization or donation - seeking the maximum return for the taxpayer.

## **General Services Administration**

### **GENERAL SUPPLY FUND**

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When requested, this business line handles the sale of seized and forfeited property for the U. S. Marshals Service. These services are non-mandatory, therefore agencies are free to sell surplus property themselves or contract commercially for such purposes. Personal Property Management takes a cost-recovery fee and returns the remaining proceeds to the U.S. Treasury or to the holding agency. Personal Property Management also inventories, stores, and occasionally sells gifts and decorations presented to Federal employees by foreign governments.

Performance goals for fiscal year 2001 aim to control cost while maximizing proceeds from the sale of surplus property and to increase customer satisfaction. Operating expenses for this business line in fiscal year 2001 are anticipated at \$17.2 million, of which \$4.7 million is furniture reclamation.



## General Services Administration GENERAL SUPPLY FUND

GENERAL SUPPLY FUND \$(Thousands)				
	FY 1999 Actual	FY 2000 Current	FY 2001 Request	FY 01/00 Change
Income	2,805,050	2,677,141	2,690,009	+12,868
Supply and Procurement	1,384,843	1,248,187	1,219,836	-28,351
Personal Property Management	15,595	16,386	17,205	+819
Travel and Transportation	4,919	7,534	7,534	+0
Vehicle Acquisition & Leasing	1,399,693	1,405,034	1,445,434	+40,400
Expense (1)	2,604,347	2,493,362	2,504,888	+11,526
Supply and Procurement (1)	1,323,038	1,203,137	1,172,634	-30,503
Personal Property Management	14,437	16,386	17,205	+819
Travel and Transportation	6,036	7,534	7,534	+0
Vehicle Acquisition & Leasing	1,260,836	1,266,305	1,307,515	+41,210
Profit (Loss) (1)	200,703	183,779	185,121	+1,342
Less Reserves	141,605	135,340	134,494	-846
Net Profit (Loss) (1)	59,098	48,439	50,627	+2,188
FASAB Compliance	-23,081	-23,081	-23,081	+0
Final Adjusted Profit (Loss)	36,017	25,358	27,546	+2,188
Net Outlays	-54,917	0	0	+0
FTE	3,215	3,199	3,199	0

(1) The Expense figures, the Profit (Loss) and the Net Profit (Loss) data shown above do not include pension/post retirement benefit expenses of \$23,081. Since individual Federal agencies are not required to pay these costs, these expenses have been excluded to provide a better indicator of what "true" costs the General Supply Fund has to recover with their revenues. The impact of the pension/post retirement benefit expenses is shown in the Final Adjusted Profit (Loss) entry.

For GSA's Annual Report, FASAB No. 5 requires that the pension/post retirement benefit expenses be included in the expenses shown for the General Supply Fund. To be consistent with the Annual Report, we included these expenses in the General Supply Fund's Statement of Operations schedule in the President's Budget in the Supply and Procurement area.

**General Services Administration**  
**GENERAL SUPPLY FUND**

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<b>GENERAL SUPPLY FUND</b>	
<b>Explanation of Budget Changes</b>	
<b>Obligations</b>	
<b>(\$Thousands)</b>	
<b>FY 2000 Current Level.....</b>	<b>3,336,416</b>
Change in Capital Outlay.....	+1,972
Pay Increase.....	+5,309
Business Volume Adjustments.....	+18,669
<b>FY 2001 Budget Request.....</b>	<b>3,362,366</b>

**General Services Administration**  
**GENERAL SUPPLY FUND**

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<b>GENERAL SUPPLY FUND</b> <b>Obligations by Object Class</b> <b>\$(Thousands)</b>			
	<b>FY 1999 Actual</b>	<b>FY 2000 Current</b>	<b>FY 2001 Request</b>
Personnel Compensation:			
11.1 Full-time permanent	152,260	157,226	162,040
11.3 Other than full-time permanent	5,052	5,200	5,244
11.5 Other personnel compensation	<u>2,112</u>	<u>2,028</u>	<u>2,209</u>
11.9 Total personnel compensation	159,424	164,454	169,493
12.1 Civilian personnel benefits	35,038	36,032	37,216
21.0 Travel and transportation of persons	4,616	6,100	7,187
21.0 Motor pool travel	571	583	595
22.0 Transportation of things	55,124	56,273	57,102
23.1 Rental payments to GSA	46,028	45,232	46,042
23.3 Communications, utilities, and misc. charges	16,081	16,233	15,969
24.0 Printing and reproduction	7,200	8,109	8,021
25.2 Other services	125,223	128,042	134,920
25.3 Purchases of gds/svcs from Gov't accts	54,117	54,215	54,234
26.0 Supplies and materials	2,286,293	2,157,568	2,166,039
31.0 Equipment	<u>620,161</u>	<u>663,575</u>	<u>665,547</u>
Total Obligations	3,409,876	3,336,416	3,362,366

# General Services Administration

## GENERAL SUPPLY FUND

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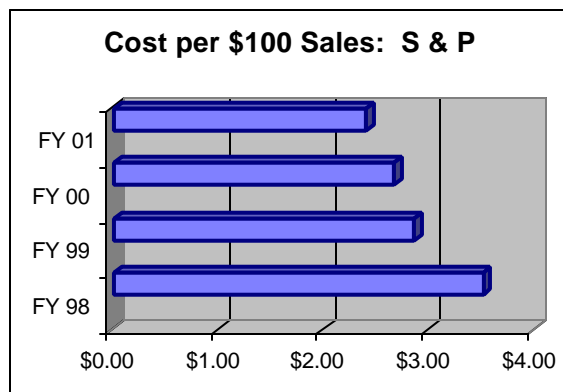
### THE FY 2001 PERFORMANCE PLAN

The business lines under the General Supply Fund are committed to satisfying the Federal Government's requirements for products and services at the least cost to the taxpayer. In order to measure accomplishments toward meeting this challenge, performance goals and measures have been established. These goals and measures are reflected in this budget submission and the Fiscal Year 2001 GSA Performance Plan.

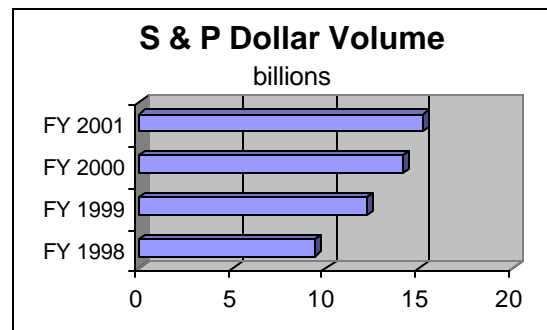
#### Supply and Procurement

Leverages Federal purchasing power to deliver quality, service, savings and choice in commercial products and services - from computers to contracts for financial management services. Federal Supply Schedules and direct delivery methods of supply are included in this business line.

Performance Goal: Hold costs at current levels while expanding supply and procurement support to Federal agencies, thereby reducing the cost per \$100 sales.



Performance Goal: Increase Federal agencies' use of GSA sources by providing additional products and services and by making it easier to access products and services.



Performance Goal: Maintain the current proportion of Schedules contracts awarded to small businesses.

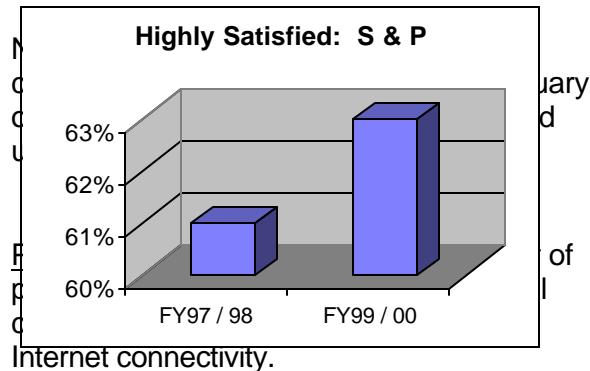
Performance Measure: Percent of Schedule contracts awarded to small business.

Baseline:	77%
FY 1999:	77%
FY 2000:	77%
FY 2001	77%

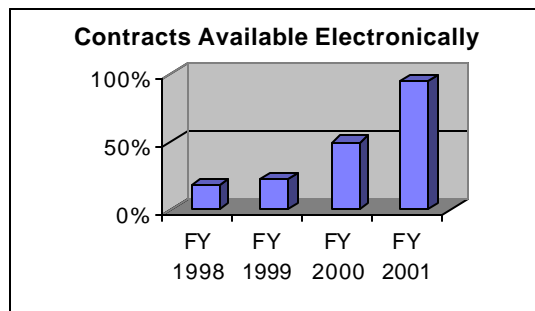
# General Services Administration

## GENERAL SUPPLY FUND

Performance Goal: Increase customer satisfaction with Supply and Procurement programs.



Internet connectivity.



### Vehicle Acquisition and Leasing Services

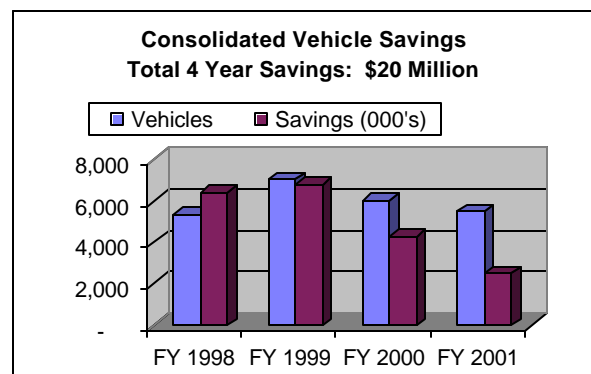
The GSA fleet management organization and GSA's vehicle acquisition center - merged to become a single business line in 1998. Furthering one-stop shopping philosophy, this business line makes it easier for customers to evaluate fleet management options and arrive at decisions to respond to their needs.

Performance Goal: Achieve an average 20% savings over commercial "Black Book" prices for compact sedans.

Performance Measure: Percent saved compared to "Black Book" price.

1998 Baseline	20%
1999 Target:	20%
2000 Target	20%
2001 Target	20%

Performance Goal: Save taxpayers money by consolidating additional vehicles into GSA's fleet.

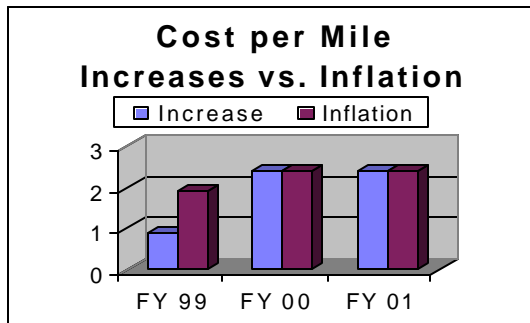


# General Services Administration

## GENERAL SUPPLY FUND

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**Performance Goal:** Hold annual increases in rate-per-mile charges for GSA Fleet vehicles close to the inflation rate.



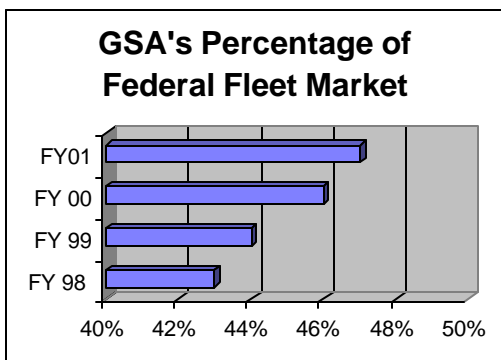
Note: All surveys are currently being conducted. Data will be updated in February of 2000 and targets may be revised based upon the input of our survey consultant.

**Performance Goal:** Fill 100% of requests for alternative fuel vehicles.

**Performance Measure:** Percentage of requests filled.

FY 1998 Baseline:	100%
FY 1999 Target:	100%
FY 2000 Target:	100%
FY 2001 Target:	100%

**Performance Goal:** Increase GSA's share of Federal fleet.



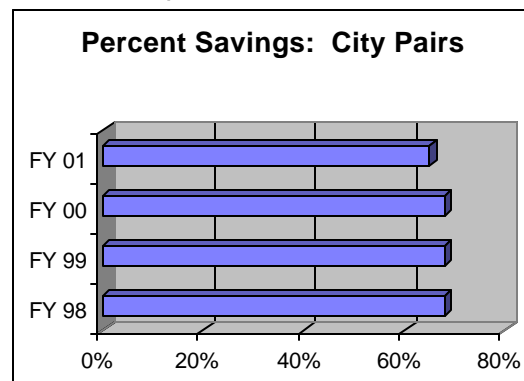
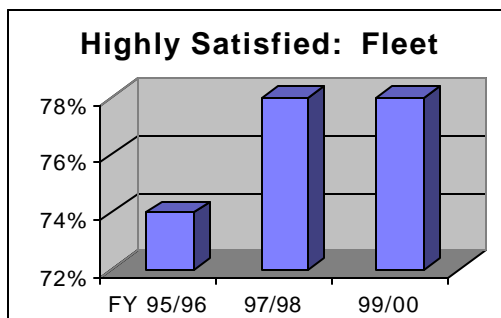
### Travel and Transportation

Controls and reduces Federal costs through its commercial travel and transportation services. Travel services include negotiated airline contracts, travel agency services, and travel charge card services. Transportation services include shipment of parcels, freight and household goods.

**Performance Goal:** Achieve significant savings on Federal travel as compared with commercial prices.

**Performance Goal:** Meet or exceed customer expectations.

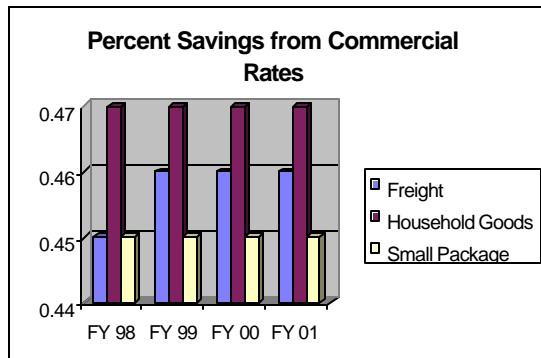
**Performance Measure:** % of respondents giving a "highly satisfied" rating.



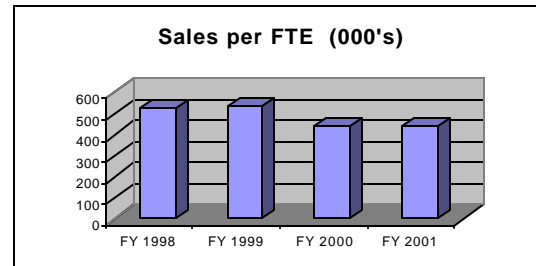
## General Services Administration GENERAL SUPPLY FUND

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**Performance Goal:** Maintain savings of 45% to 49% compared to commercial rates for shipment of freight and household goods and for small-package express delivery services.

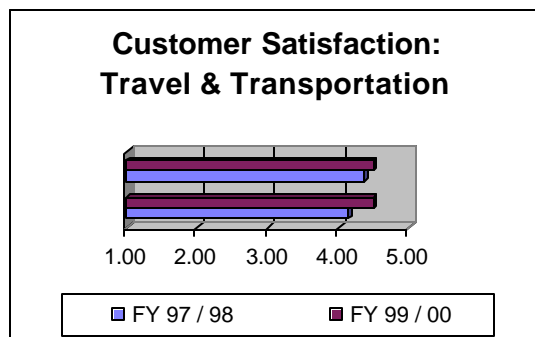


**Performance Goal:** Control costs while effectively performing sale services.



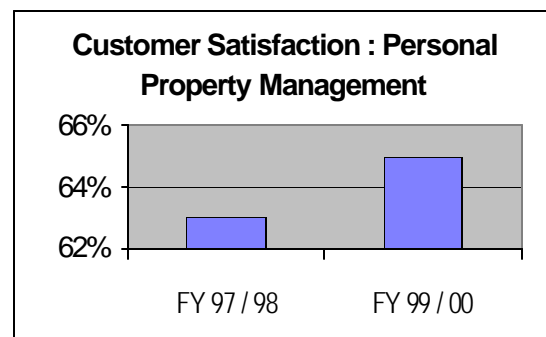
Note: The decrease in sales proceeds per FTE for fiscal year 2001 is a direct result of the drop in dollar value of property moving through the system rather than workload.

**Performance Goal:** Increase customer satisfaction with travel and transportation programs. (Survey ratings were based on a scale of 1-5, with 5 being "highly satisfied.")



**Performance Goal:** Increase customer satisfaction with Personal Property Management Services.

**Performance Measure:** % of respondents giving a "highly satisfied" rating.



### **Personal Property Management.**

The General Supply Fund portion of this business line, sells surplus government personal property whose value cannot be extended through the reutilization or donation phase.

Note: Surveys are currently being conducted; data will be updated in February of 2000 and targets may be revised based upon the input of our survey consultant.

# General Services Administration

## INFORMATION TECHNOLOGY FUND

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### MISSION

The Federal Technology Service (FTS) is dedicated to providing information technology solutions and telecommunications services that deliver the best value and innovation to support Federal agencies' missions worldwide. It is the vision of FTS to provide world class services and solutions for the new millennium. FTS' mission statement reflects the emphasis we place on our performance in meeting our customers' requirements in an effective and cost-efficient manner.

In providing the Government with an economical and efficient system for the procurement of IT and telecommunications services, FTS identifies and aggregates Federal requirements to offer contracts that yield substantial cost savings and value. FTS employees are experts in acquisition, telecommunications, information technology, and information security. We work with industry and Government to address critical issues affecting Government performance. From enabling Y2K compliance to making Government listings in public telephone directories more user-friendly, FTS ensures that the necessary framework is in place to support the Government information infrastructure, and provides end-to-end security. In addition, FTS tests new acquisition and service delivery concepts, such as share-in-savings, that will enhance the Government's ability to use technology to better serve the public.

### RESOURCES

FTS programs are financed by the Information Technology (IT) Fund. The Fund was authorized by the Paperwork Reduction Reauthorization Act of 1986 (Public Laws 99-500 and 99-591, section 821(a)(1)). The Fund provides information technology resources to Federal agencies, promoting the use of the latest technology to deliver services, and facilitating the efficient management, coordination, operation, and use of such resources. The Fund also provides for a capital reserve to finance investments and

program costs which are one-time or non-recurring in nature, allowing for more stable rates for services even when expenses vary widely because of events such as a major procurement. The reserve also allows flexibility to address the challenges of providing innovative state-of-the-art services to our customers, to meet the demands of new program requirements, and to provide funding for new technologies and recompetition opportunities. The reserve requirements are developed annually by FTS and included in the IT Fund Cost and Capital Requirements Plan. This plan is submitted to OMB for review and approval pursuant to Section 110(a)(1) of the Federal Property and Administrative Services Act of 1949, as amended by Public Law 99-591. The rates charged agencies purchasing information technology services through FTS are consistent with this plan.

In addition, the Interagency Management Council (IMC), which consists of senior executive telecommunications officials from Federal agencies, serves as a Board of Directors for the development, coordination, and customer-driven oversight of FTS' Federal telecommunications program.

### FY 2001 BUDGET IN SUMMARY

The IT Fund finances, on a reimbursable basis, governmentwide information technology services through two business lines: **Network Services** and **Information Technology (IT) Solutions**. Resources supporting these business lines are based on rates charged Federal customers. In FY 2001, almost 97% of the total FTS reimbursements are projected to flow through to the private sector for payment of telecommunications and IT solutions services.

The **Network Services** business line enables FTS to provide Federal customers with end-to-end telecommunications services including global voice, data, and video services supporting both local and long distance Government telecommunications users. FTS also provides



## General Services Administration INFORMATION TECHNOLOGY FUND

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advanced telecommunications products and services through Innovative Services contracts. The Innovative Services contracts currently provide customers with a variety of fully competed contracts for wireless communications, technical management support services, international calling, wire and cable, satellite equipment and services, and Internet access. Future innovative services contracts will be developed to offer our customers leading-edge services to meet their twenty-first century needs.

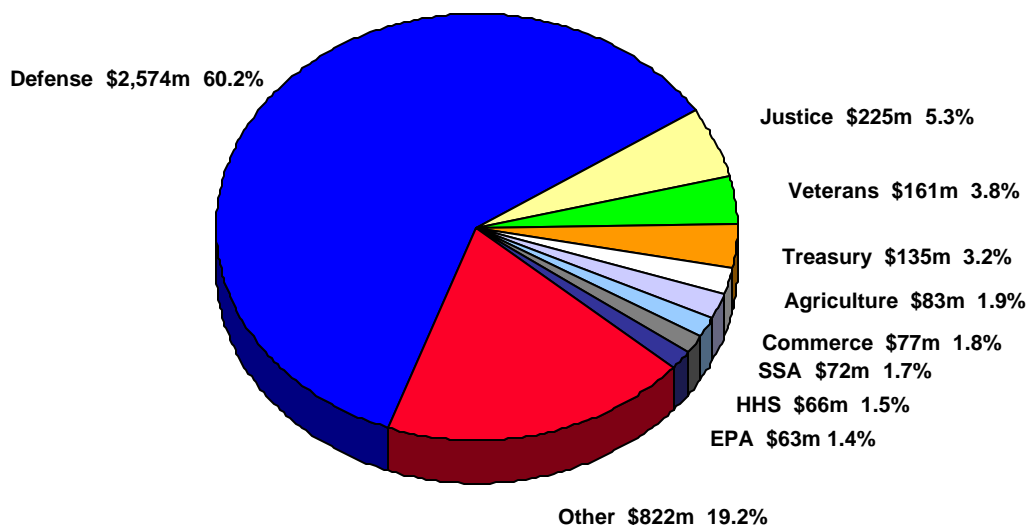
The **IT Solutions** business line helps agencies

acquire, manage, integrate and use technology resources and protect the security of Federal information on-line. The FTS programs help improve services for all Americans through the innovative use of information technology.

The FY 2001 budget provides resources for the leadership, new technology, technical expertise and innovative programs that enable our customers, other Federal agencies, to achieve their planned results in the most efficient and productive way. A breakdown of our customer base is shown in Exhibit 1 below.

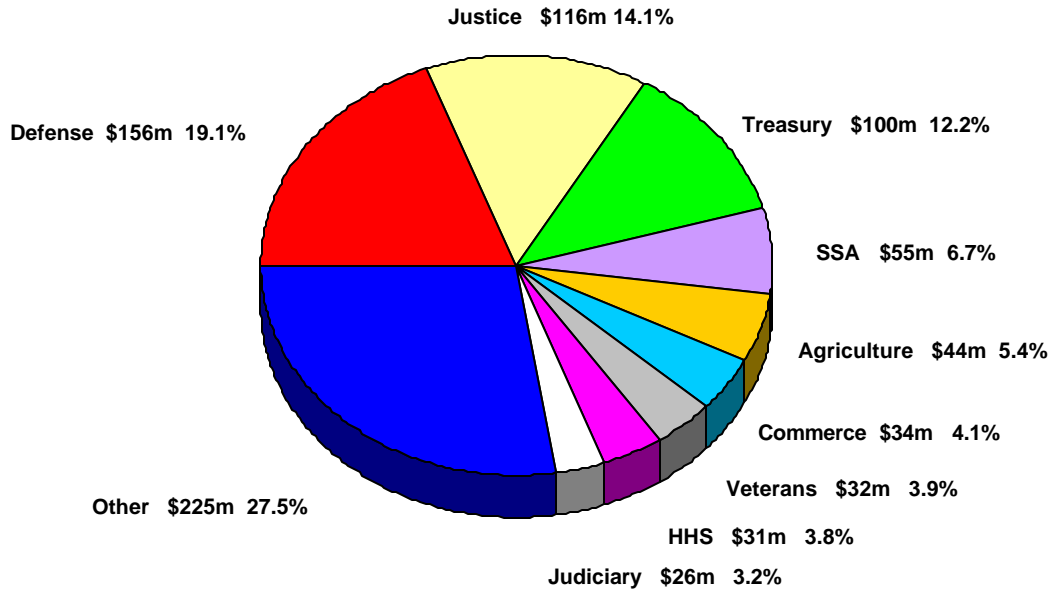
**Exhibit 1. Major Customers of the Information Technology Fund**

**TOTAL PROJECTED FY 2001 REVENUE = \$4,278M**

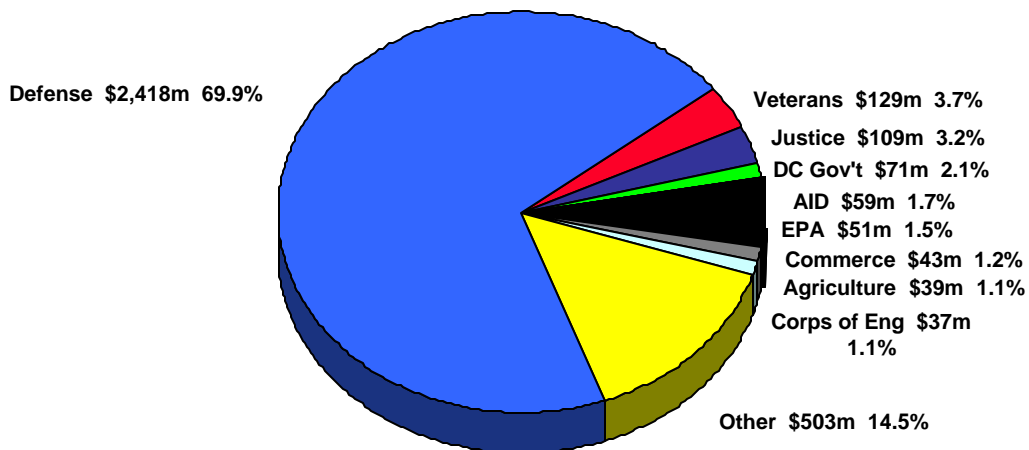


# General Services Administration INFORMATION TECHNOLOGY FUND

## NETWORK SERVICES TOTAL PROJECTED FY 2001 REVENUE = \$819M



## IT SOLUTIONS TOTAL PROJECTED FY 2001 REVENUE = \$3,459M



# General Services Administration INFORMATION TECHNOLOGY FUND

## INFORMATION TECHNOLOGY FUND RESULTS OF OPERATIONS \$(Thousands)

	FY 1999 Actual	FY 2000 Current	FY 2001 Request	FY 01/00 Change
Revenue	4,175,975	4,302,205	4,278,391	(23,814)
Expense	4,195,210	4,409,583	4,308,322	(101,261)
Current Year Excess Revenues/(Loss)	(19,235)	(107,378)	(29,931)	77,447
Expenses Funded by Reserves	49,010	99,584	32,698	(66,886)
Excess Revenues/(Loss) from Operations	29,775	(7,794)	2,767	10,561
FASAB Compliance*	(10,839)	(9,261)	(9,261)	0
Net Excess Revenues/(Loss)	18,936	(17,055)	(6,494)	10,561
Net Outlays	58,864	105,352	30,768	(74,584)
FTE:	1,303	1,340	1,340	0

\*Includes projected levels of pension and retirement benefit costs in accordance with Federal Accounting Standards Advisory Board (FASAB) Standard No. 5. This is required for reporting purposes, even though individual agencies are not required to pay these costs. These costs are paid by the Office of Personnel Management (OPM).

### EXPLANATION OF ESTIMATES

The IT Fund FY 2001 revenue reflects a decrease of almost \$24 million from FY 2000. This reduction is primarily attributed to the decline in long distance revenues because of substantial price reductions offered by the new contracts.

The total excess revenues from current operations are retained in the Fund to finance capital investments and program costs that are one-time or non-recurring in nature.

Levels of funding are determined through the submission and approval process of planned cost and capital requirements to OMB by GSA annually.

This budget request also reflects a \$91.7 million decrease in obligations from FY 2000, as shown below. This net change results from increases for pay and inflation, and reductions in business volume and reserve use.

INFORMATION TECHNOLOGY FUND Explanation of Budget Changes Obligations \$(Thousands)	
<b>FY 2000 Current Level .....</b>	<b>\$4,546,666</b>
Pay Raise, January, 2001.....	7,377
Inflation .....	4,211
Decrease in Business Volume.....	-35,891
Decrease in Reserve Use.....	-67,416
<b>FY 2001 Budget Request .....</b>	<b>\$4,454,947</b>

# General Services Administration

## INFORMATION TECHNOLOGY FUND

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### MAJOR ISSUE

With explosive business growth over the last several years, the IT Fund is experiencing the lowest cash balance ever. This is the result of increased business volumes and the 30 to 60 day lag time between payments to contractors and cash receipts from customers. While FTS negotiated an agreement with its major customers so that they are billed through the On-Line Payment and Collection (OPAC) System, some problems are expected to remain with lag times.

FTS has taken and continues to take aggressive action to maintain a healthy cash position. However, as IT Fund business volume continues to grow, lag times between payments to vendors and receipts from customers further strain the Fund's cash reserves. GSA is currently working with OMB, Treasury and customer agencies to improve cash and accounts receivables management.

INFORMATION TECHNOLOGY FUND				
Obligations by Object Class				
\$(Thousands)				
	FY 1999 Actual	FY 2000 Current	FY 2001 Request	
Personnel Compensation:				
11.1 Full-time permanent	86,692	97,193	101,106	
11.3 Other than full-time permanent	491	131	136	
11.5 Other personnel compensation	<u>972</u>	<u>1,655</u>	<u>1,734</u>	
<b>11.9 Total personnel compensation</b>	<b>88,155</b>	<b>98,979</b>	<b>102,976</b>	
12.1 Civilian personnel benefits	17,574	21,868	25,248	
13.0 Benefits for former personnel	0	71	72	
21.0 Travel and transportation of persons	4,914	5,383	5,495	
21.0 Motor pool travel	233	785	802	
22.0 Transportation of things	158	616	628	
23.1 Rental payments to GSA	10,675	11,254	11,254	
23.3 Communications, utilities, and misc. charges	1,896	3,810	3,891	
24.0 Printing and reproduction	914	1,230	1,256	
25.2 Other services	4,638,333	4,073,754	3,980,932	
25.3 Purchases of goods and services from Government accounts	365,042	306,626	299,640	
26.0 Supplies and materials	6,120	3,075	3,139	
31.0 Equipment	30,965	19,215	19,614	
<b>99.0 Total Obligations</b>	<b>5,164,979</b>	<b>4,546,666</b>	<b>4,454,947</b>	

## BUSINESS LINES

FTS provides Federal customers around the world with best value, innovation, integration, and interoperability through two business lines: **Network Services** and **Information Technology Solutions**.

**The Network Services** business line offers Federal customers end-to-end telecommunications services. The major programs under the Network Services business line are the FTS2001 long distance program and the Local Telecommunications Services program.

The **FTS2001 program** provides long-distance telecommunications service that offers the Federal Government low-cost, state-of-the-art, integrated voice, data, and video telecommunications. The FTS2001 contracts awarded to Sprint and MCI WorldCom on December 1998 and January 1999, respectively, are estimated to be worth more than \$5 billion over the eight-year contract period. The FTS2001 contracts are not mandatory for Federal agencies. FTS2001 replaces the two successful FTS2000 contracts and retains many of their key features, especially aggressive price competition. Through GSA negotiations over the past ten years, long distance telecommunications rates have decreased from a national average of 27 cents per minute in FY 1988 to 5.8 cents per minute under FTS2000. Under FTS2001, prices begin at about 4.5 cents per minute and drop to less than 1 cent per minute by the end of the contract period. Because of these substantial price reductions, revenues for the long distance program are projected to decline from \$800 million in FY 1999 to \$624 million in FY 2000 and to \$512 million in FY 2001.

FTS has established a Transition Coordination Center (TCC) that provides overall management, guidance, and technical support to Federal agencies and US Tribal Nations electing to transition current FTS2000 services to FTS2001 networks. Transition to FTS2001 began in June 1999 and is expected to be completed within eighteen months.

FTS prides itself in offering its customers quality goods and services at competitive prices. In the January 1999 *GSA Report to Congress on the Cost Effectiveness of the FTS2000 Program* FTS2000 prices are shown to be 15.9 percent lower, in the aggregate, for the Government's telecommunications requirements than the lowest commercial equivalent. This affirms the cost effectiveness of the FTS2000 program and this trend is expected to continue under the FTS2001 contracts.

The largest FTS2000/FTS2001 service offering is switched voice service. As illustrated in Exhibit 2 below, FTS long-distance voice prices have been highly competitive with those in the commercial sector. In FY 1999, FTS2000 average cost per minute was 5.8 cents compared to the industry price of 10.2 cents. With FTS2001, cost per minute will continue to be below the industry average.

### FTS2000/FTS2001 Voice Service Prices

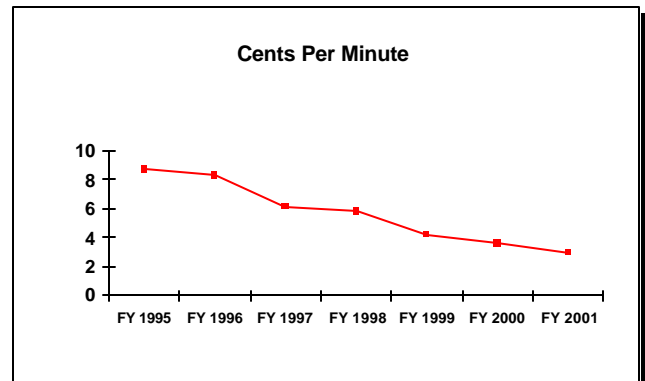


Exhibit 2. FTS2000 prices compared to commercial

The **Local Telecommunications Services** program provides local voice and data telecommunications to Federal agencies nationwide. In the wake of reforms initiated by the Telecommunications Act of 1996, FTS is pursuing lower prices for local service in the major markets through its Metropolitan Area Acquisition (MAA) Program. The MAA program takes advantage of competition to achieve immediate, substantive, and sustained price reductions for local telecommunication services in metropolitan areas. After a forbearance period of at least one year from an MAA award,

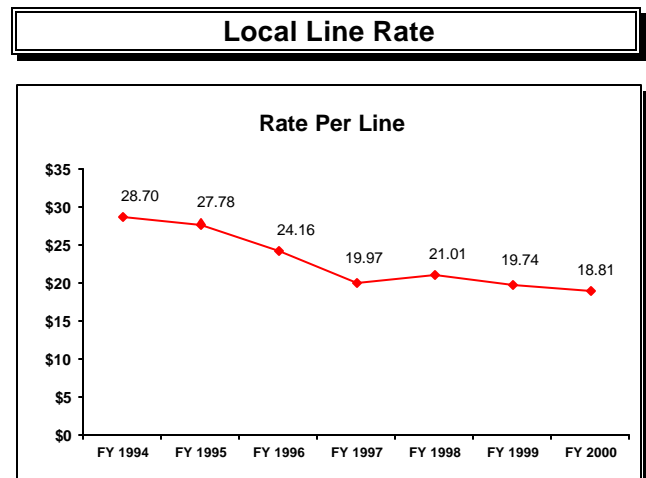
the Government may execute an option to allow the FTS2001 vendors to offer optional local services. Additionally, after the minimum one year forbearance period, the Government may execute an option to allow winning MAA vendors in one city to offer local services in another MAA city.

In May 1999, awards were issued for the three initial MAA cities of New York, Chicago, and San Francisco. The total combined value of business under these contracts is expected to exceed \$680 million over 8 years. These three competitions have each yielded unprecedented local telephone rates, which translate into savings of 70% over standard business rates, and 66% over current Government rates. These new rates are expected to save the Federal government more than \$300 million over standard business rates and more than \$250 million over the current government rates in these cities over an eight-year period. As a result of the success of this program in the initial cities, an aggressive schedule of implementing MAAs in metropolitan areas nationwide has been planned. Cities on the schedule include Albuquerque, NM; Baltimore, MD; Boston, MA; Cincinnati, OH; Dallas, TX; Indianapolis, IN; Miami, FL; New Orleans, LA; St. Louis, MO; Atlanta, GA; Boise, ID; Buffalo, NY; Cleveland, OH; Denver, CO; Los Angeles, CA; Minneapolis, MN; and Philadelphia, PA.

Because of the highly successful competitive rates achieved in these three initial cities, along with the award for the WITS2001 contract in the Washington, DC metropolitan area, FTS expects to set a new pricing paradigm for local telecommunications services nationwide. Revenues for the Local Telecommunications Services program were \$285 million in FY 1999 and growing to \$299 million in FY 2000 and to \$308 million in FY 2001.

The Local Telecommunications Services program has undertaken a major initiative to reduce the average monthly line rate. Exhibit 3 shows the actual monthly line rate to date and the projected monthly line rate for FY 2000. The national average monthly line rate for FY 2000 is projected to be \$18.81 which reflects an

overall reduction of \$9.89, or almost 35% from the FY 1994 average monthly line rate. The FY 2000 projected rate does not include changes expected to result from the recent three MAA and WITS2001 awards.



**Exhibit 3. Local Line Cost**

In FY 2001, FTS will continue to strive to reduce the average monthly line rate. FTS fully expects the rates to continue to decline as MAA contracts are awarded in other cities.

The **IT Solutions** business line within FTS provides all types of IT products and services, including security solutions, to its Federal clients through contracts with private sector firms. IT Solutions provides a variety of ways for agency customers to buy—through FTS contracts, through Federal Supply Service Schedules, and through the contracting offices of other Federal agencies with which IT Solutions has developed strategic partnering arrangements. Customers can choose among numerous value-added services at various levels of support and cost.

Employees in the IT Solutions business line have eagerly embraced procurement reform and business process streamlining. Through a series of innovations including policy improvements and electronic commerce automation initiatives, the business line has increased its capability to support more clients through more contracts with private sector firms. The results are that revenues have more than

doubled in the past three years. The programs within the IT Solutions business line are clearly desirable and competitive sources of supply for Federal agencies and have an enormous impact on private sector service providers.

The underlying business goal of IT Solutions is to provide the same products and services or solutions with the same level of service at the same price to all clients, regardless of geographic location. To achieve this goal, IT Solutions' concept of operations is based on distinct service delivery and solutions development "centers of expertise" which are designed to leverage existing skill sets and talents to the best advantage of FTS.

There are currently 15 Client Support Centers (CSC) and 4 Solutions Development Centers (SDC) to support FTS clients nationwide. In 11 regional locations, CSCs provide one-stop shopping service to clients in an assigned geographic location. There are also two national CSC's that serve clients requiring information security or large systems integration projects expertise. The Financial Management Systems Support Center is a CSC focused on assisting agencies in implementing financial management systems. A CSC has also been established to focus on GSA's internal IT acquisitions. CSC's provide their clients access to all FTS products and services and offer a value-added acquisition and technical service to determine the best solution for the client's IT needs. SDC's develop, award, and administer master contracts for use by the CSC's.

FTS will continue to promote its brand name programs under this concept. The major programs in the IT Solutions business line are comprised of Regional IT Solutions including the Federal Acquisition Services for Technology (FAST) Program, the Federal Integration and Management Center (FEDSIM), the Federal Computer Acquisition Center (FEDCAC), the IT Acquisition Services Center, the Financial Management System Services Center (FMSSC), the Office of Smart Card Initiatives, and the Office of Information Security (OIS).

**Regional IT Solutions** CSCs provide the full range of IT products and services to clients in an assigned geographic location. Services include systems definition and design, business

and scientific software services, computer security studies and risk analyses, facilities management, and access to all of FTS' products and services. The **FAST** program is a large part of the regional program designed to enable Federal agencies to quickly purchase commercial off-the shelf information technology software, equipment and non-complex services. It offers the Federal customer products and services, plus the "value-added" complement of contracting services support. FAST focuses on shortest time, lowest cost, and highest quality as a composite procurement approach. The program's success relies on quick contracting solutions, including 1) GSA's multiple-award schedule (MAS); 2) government-wide acquisition contracts (GWACS) for specialized buys; 3) multiple award 8(a) contracts with small businesses; and 4) non-competitive definite quantity contracts. This procurement strategy also affords 8(a) firms opportunity to develop new business. Regional ordering offices have increased 8(a) revenues in the past three years. These are clear indications that more clients are being offered 8(a) services than ever before.

Regional IT Solutions FY 1999 revenues were over \$2.1 billion, an increase of almost 50% over FY 1998. Continued growth in revenue is expected for FY 2000 and for FY 2001 at \$2.1 billion and \$2.2 billion, respectively. Additional revenue will also be generated from the Applications 'n Support for Widely-diverse End User Requirements (ANSWER) contract. ANSWER, awarded to ten prime contractors, has a ceiling value of \$25 billion over a ten-year period. FTS is also working to award Millennia Lite in late FY 2000. This contract is designed to support small to mid-level systems integration projects and will implement award term contracting to ensure a high level of industry partner performance over the life of the contract.

**FEDSIM** is a national program that assists agencies acquire and use information systems and information technology, including hardware, software, maintenance, training, and analyst support. FEDSIM focuses on large, complex systems integration efforts. FY 1999 revenues were \$856 million and are expected to grow to \$933 million in both FY 2000 and FY 2001. FEDSIM continued its support to the small business community by obligating \$600 million in contracts to small business in FY 1999.

**FEDCAC** delivers full-service management of computer acquisitions worth more than \$100 million and conducts full and open competitions for contracts required by FTS customer support centers nationwide. In FY 1999, FEDCAC awarded the Millennia contract which will result in a substantial increase in FTS revenue. Millennia, awarded to 12 prime contractors, has a ceiling value of \$25 billion over a base period of five years. Since its award in May 1999, there has been enormous interest in this contract. The first task order under this contract was for \$22 million and was awarded by FEDSIM in August 1999. FEDCAC continues to award new task orders on the Virtual Data Center Services contract, which provides data processing outsourcing services to Federal agencies, and offers a quick, low-cost alternative for obtaining commercial data processing services.

In FY 1999, GSA awarded the first task order under its Government-wide Seat Management Services contract at an evaluated price of approximately \$114 million over ten years. This task order will support 2,500 employees in the GSA headquarters building in the District of Columbia and in FTS offices located in Virginia and Massachusetts with comprehensive desktop computing services. Over time, this task order will be extended to all GSA offices and has the potential to grow to over \$600 million for 14,000 employees. Since this first award, FTS has successfully awarded additional tasks under the Seat Management Services contract. In June 1999, a task order for \$88 million was awarded for 1,600 seats at the Treasury Department, followed by \$50.9 million for 800 seats at the Housing and Urban Development's Inspector General's Office.

The **GSA IT Acquisition Services Center** is a dedicated client support center that provides innovative IT solutions to GSA itself. The Center's experienced IT Solutions Team provides GSA rapid access to all FTS contractual vehicles (including Seat Management), to the Federal Supply Service's (FSS) Schedules, and to other Government-wide acquisition vehicles (GWACs). The Center creates new contractual vehicles to service GSA when required and is conveniently located within GSA Central Office for close

proximity to GSA's Services and Staffs. The Center is also available to serve all GSA regions.

The IT Acquisition Services Center provides IT solutions and acquisition support during all procurement phases. Before issuing task orders or awarding contracts, the Center offers pre-procurement planning services that include work product specification and development of statements of work. Experienced teams of computer specialists work hand-in-hand with contracting officers to provide specialized project management services and post-award contract administration.

The IT Acquisition Services Center administers the GSA Services (GSAS) contract with the Unisys Corporation. This GSA-dedicated contract has been active for the past six years as a source for major IT systems, engineering services, and network and desktop products.

The **Financial Management System Services Center** (FMSSC) assists Federal agencies evaluate, design, and implement financial and administrative systems. FMSSC works with agencies to define systems requirements and develop procurement strategies to satisfy those requirements. Using Federal Supply Service (FSS) Schedules and other Federal procurement vehicles, FMSSC purchases core accounting, financial, and administrative systems for client agencies. FMSSC also provides project management support for specialized financial systems.

FMSSC is implementing the new FTS Enterprise Resource Planning (ERP) initiative to stimulate Federal agency use of ERP systems. ERP systems provide cost-effective data warehousing, data mining, and executive-level information. In FY 2000, FMSSC estimates that it will award over \$150 million in contracts for full ERP systems, individual core accounting systems, and other financial and administrative management systems.

The **Office of Smart Card Initiatives** offers a full range of smart card services. Smart cards offer an unsurpassed mobile computing platform for identification and authentication as well as repetitive administrative functions. In



FY2000, the Office of Smart Card Initiatives will compete and award a Government-wide "Common Access Identification" Smart Card contract for use by Federal agencies. The Office of Smart Card Initiatives seeks to offer the next generation of services for the reduction of paper-based administrative systems.

The **Office of Information Security (OIS)** provides worldwide information systems and infrastructure security solutions to all U.S. Government departments and agencies. OIS also supports the security needs of our nation's allies, in the conduct of classified, sensitive, diplomatic, or military missions. FY 1999 revenues were \$117 million, an increase of almost 2% over FY 1998. Continued growth is expected for FY 2000 and FY 2001 with revenues projected at \$150 million and \$165 million, respectively.

In support of Presidential Decision Directive-63, "The Clinton Administration's Policy on Critical Infrastructure Protection," OIS developed the FTS Safeguard program, which resulted in the award of Blanket Purchase Agreements to twenty-seven industry partners recognized as among the industry leaders in providing information assurance services and products. The requirements of PDD-63 and the goal of the Safeguard program are to fight cyber crime and strengthen the nation's defenses against emerging, unconventional threats to our increasingly vulnerable critical information systems. The Safeguard program assists Federal agencies and departments in developing plans and solutions for critical infrastructure protection. OIS awarded the first task order under Safeguard in July 1999 to assist the Department of Veterans Affairs with a network security plan for their transition from a private, wide area network to the FTS2001 public wide area network.

The Access Certificates for Electronic Services (ACES) program is an initiative jointly developed and managed by OIS and GSA's Office of Governmentwide Policy and aims to deliver public key certificates to the citizen as a way of facilitating secure access to government information and services. In FY 1999, FTS awarded a contract for services that will use public key infrastructure certificates as the enabling technology, to provide end-to-end

security of information in terms of confidentiality, integrity, and proof of origin, for both the private citizen and government.

All programs under the IT Solutions business line are non-mandatory and fully reimbursable. Exhibit 4 below, illustrates that the demand for IT Solutions services has increased dramatically over the past few years.

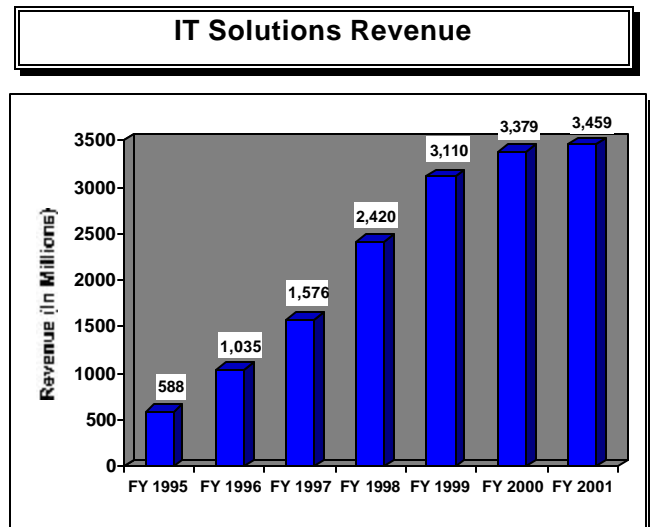


Exhibit 4. IT Solutions Revenue

## THE FY 2001 PERFORMANCE PLAN

The FTS FY 2001 Performance Plan concentrates on nine basic performance measures that support the FTS mission and vision and are directly linked to GSA's Strategic Goals to "Promote Responsible Asset Management, Compete Effectively for the Federal Market, Excel at Customer Service, and Anticipate Future Workforce Needs."

To ensure FTS is positioned to sustain and enhance its contributions to the Federal community, FTS has three overarching strategies. These strategies are integrated into the business lines and reflect the overall approach that FTS is taking to grow the business. The strategies are as follows:

- FTS will focus on being **customer-centric**. This strategy involves providing enterprise solutions and tailored levels of service to meet the IT and network needs of customers. FTS offers customers a full range of contracting vehicles, comprehensive service offerings, and

one-stop shopping. FTS provides fully competed contracts, competitive pricing, problem resolutions, and interoperability. FTS' strategy also focuses on understanding customers' business needs, helping them find the best solutions so that they can better serve their constituencies, and delivering superior customer service. A Customer Action Team (CAT) initiative has been established consisting of communities within FTS who are working together to grow the business with four specific customers: the Internal Revenue Service (IRS), the Environmental Protection Agency (EPA), the Corps of Engineers (COE), and the Defense Finance and Accounting Service (DFAS). This proactive approach will allow FTS to gather customer information and use it to re-package our products and services. CATs cut across FTS business lines to bring Network Services and IT Solutions together to meet customer needs and sell the total FTS package.

- FTS will focus on being **employee-centric**, recognizing that employees are its most vital asset. FTS employees are highly trained in the acquisition, telecommunications, and IT fields, as well as other professional disciplines, and they are a critical link in FTS' endeavors to achieve superior customer satisfaction and business results. To create a culture in which all employees will succeed and are well respected, FTS is implementing initiatives to increase communication, foster employee development and recognition, and provide technology so that our workforce excels at customer service and achieves business success.

- FTS will maintain successful **relationships with its stakeholders**, i.e., Congress, OMB, the IMC, and industry partners. FTS will continue its efforts to keep Congress and OMB informed of its initiatives and critical related issues. This continuing dialogue also helps identify cross-cutting technology issues that affect all agencies and departments and provides an informed network to coordinate and resolve them.

FTS goals and measures cover the areas of market share, finance, costs, customer satisfaction, employee growth and development, stakeholder relations, acquisition time cycle, and new and enhanced offerings, as well as network service costs. In summary, the

goals and measures provide a balanced approach and ensure a results-oriented framework for implementing and assessing the organization.

### **GSA Goal --Promote Responsible Asset Management**

***Be Employee Centric - develop the FTS culture to better serve clients and achieve business results.***

FTS works with employees to ensure that they have an environment that is worker-friendly and that the employees have the tools, technical skills, and supporting infrastructure to do their jobs so that they can improve their performance and achieve the intended business results. An annual survey is given to GSA employees to measure how effectively GSA is implementing continuous quality improvement, and to determine the status of, and changes in workplace issues over time.

Financial management is also an essential performance measure of the success of our organization. Sound financial management practices permit management to effectively analyze programs, and ensure a system of accountability that focuses the organization on sound business decisions. Over the last three years, the revenue that flows through the IT Fund has grown over 100%. FTS is committed to retaining current customers and adding new customers in the future. Exhibit 5 below illustrates the projected future growth of IT Fund revenues. The non flow-through business volumes represent payments made directly to the vendor by the customer agencies.

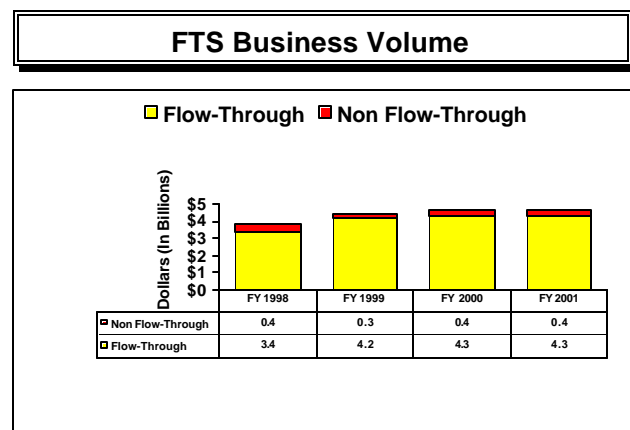


Exhibit 5. FTS Business Volume

## **GSA Goal - Compete Effectively for the Federal Market**

***Grow the business - increase IT Solutions business volume in order to attain 13% of the overall FTS share of the Federal IT market.***

***Achieve and maintain an appropriate level of full cost recovery.***

***Acquire FTS2001 prices that are lower than FTS2000 prices and remain competitive with average commercial prices.***

***Reduce average monthly local line rate by 12% over FY 2000.***

***Achieve and maintain an appropriate business volume awarded to small businesses and increase small business volume over FY 2000.***

All IT Fund programs continue to be non-mandatory in FY 2001. It is important that FTS keeps its existing customers and cultivates new ones in this environment. In order to do so, FTS will be a quality provider of technology services at competitive prices to help agencies achieve significant IT savings. It is also increasingly important for FTS to collaborate with other GSA components to facilitate the representation of the common face of GSA for all types of services. FTS will benefit from the marketing of the overall GSA image as a place where agencies can come for a large GSA package that includes technology services. FTS plans to provide enterprise solutions and tailored levels of service at competitive prices.

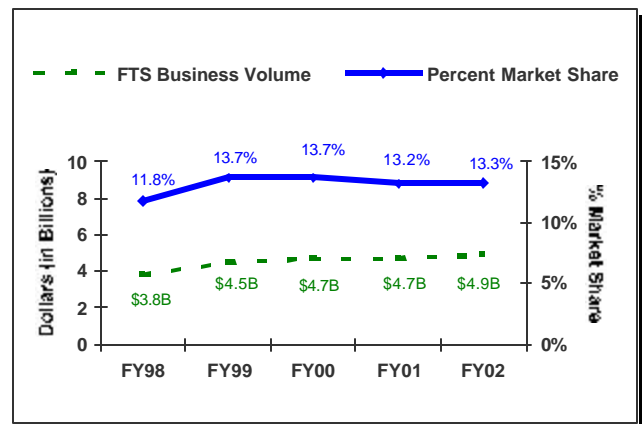
In providing the Government with an economical and efficient system for the procurement of IT and telecommunications services, FTS identifies and aggregates Federal requirements to offer contracts that yield substantial cost savings and value. FTS employees are experts in acquisition, telecommunications, information technology, and information security. We work with industry and Government to address critical issues affecting Government performance. From enabling Y2K compliance to making Government listings in public telephone directories more user-friendly, FTS ensures that

the necessary framework is in place to support the Government information infrastructure, and provides end-to-end security. In addition, FTS tests new acquisition and service delivery concepts, such as share-in-savings, that will enhance the Government's ability to use technology to better serve the public.

FTS revenues have grown from approximately \$1.5 billion in FY 1995 to almost \$4.2 billion in FY 1999, and are expected to be almost \$4.3 billion in FY 2001. Most of this increase is in the IT Solutions area, where there is an upward demand for FTS products and services. Growing FTS' business will enable the Government to devote more resources directly to mission and program work and increase cost savings for the taxpayers. FTS strives to position itself to have the largest market share of customers to capitalize on the economies of scale in procuring services for them. Exhibit 6 below illustrates FTS' current share of the Federal IT market and our future goal.

### **FTS Market Share**

Exhibit 6. FTS Market Share



## **GSA Goal - Anticipate Future Workforce Needs**

***Be customer centric - increase use of new and enhanced service offerings.***

FTS is committed to serving its customers with leading edge technology and streamlined and innovative acquisition practices. New offerings, growth through improved information outreach efforts, and program-specific recommendations

re being reviewed. The outcome will be used to identify specific initiatives to meet the needs of the Federal workforce. Customer requirements will be analyzed to select new or to enhance existing service offerings. FTS will continue to partner with industry to learn new technologies, and take advantage of acquisition reform to bring products and services to the Government marketplace as rapidly as possible

### **GSA Goal - Excel at Customer Service**

***Be customer centric - increase customer satisfaction with FTS representatives and products/services by 2.8% over FY 2000.***

***Be customer centric - reduce acquisition cycle times.***

FTS obtains information from customers through personal visits, focus groups, telephone interviews, surveys, and other methods. The objective is to better understand customers' needs, their levels of satisfaction with FTS services and products and FTS representatives, and why they do business with FTS competitors. FTS uses this and other customer information in planning and improvement efforts. The current survey effort consists of surveys that are specifically tailored to our IT Solutions and Network Services business lines and various programs.



# General Services Administration

## WORKING CAPITAL FUND

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### **MISSION**

The Working Capital Fund (WCF) is a fully reimbursable revolving fund that economically finances administrative support services to GSA and other Federal organizations.

### **THE BUDGET IN SUMMARY**

The total Working Capital Fund program level for fiscal year 2001 is estimated to be \$297 million with 1,373 full-time equivalent (FTE) positions. The following describes some of the specific services provided through the WCF.

#### **Centralized Administrative Support**

Centralized Administrative Support functions represent the largest portion of the WCF. These services are provided to internal GSA customers, and include agency-wide functions such as finance, budget and accounting support, personnel administration, facilities management, acquisition policy, and legal services. The centralizing of administrative support functions enables us to achieve economies of scale, thereby reducing costs and increasing operational efficiencies, and allows GSA's program areas to focus on and accomplish their goals.

#### ***Chief Financial Officer***

A large part of the Centralized Administrative Support activities of the WCF is managed by the Office of the Chief Financial Officer (CFO). This organization is responsible for providing accounting, budget, financial management, financial systems support and oversight, and audit follow-up and evaluation. The Office of the CFO also provides agency direction and coordination for GSA's strategic planning and performance measurement activities. The CFO produces the agency's comprehensive annual reports and audited financial statements. GSA's audited financial statements have earned unqualified

opinions each year (for each of the past twelve years), a standard unmatched by any other large Federal agency.

#### ***Chief Information Officer***

The Office of the Chief Information Officer (CIO) is responsible for applying state-of-the-art information technology to achieve GSA's business goals and to support agency programs. The CIO is the principal adviser to the GSA Administrator and to all GSA offices on information technology.

The CIO ensures the best possible return on GSA's technology investments by working with the agency's top leadership through the Business Technology Council. This group of high-level GSA executives serves as a guide for GSA's information technology (IT), capital planning and investment process. This process strengthens the link between capital planning, IT investment and the agency budget process as well as providing a mechanism for reporting on IT activity agencywide.

#### ***Chief People Officer***

The Office of the Chief People Officer was created in fiscal year 1998 to emphasize the importance of employees to the agency's success. This office provides personnel and labor-relations services, employee development and incentive programs, administrative support and facilities management. The Chief People Officer also manages the agency's management intern program and works with the GSA Technology Council to establish an electronic document management system.

# General Services Administration

## WORKING CAPITAL FUND

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### **General Counsel**

The Office of General Counsel provides legal support to GSA's programs and ensures that the agency meets its public policy responsibilities. These activities include legal advice and services, procurement support, ethics and equal employment opportunity, and support for small, minority and women-owned businesses.

### **Other Centralized Administrative Support Activities**

The **Office of Enterprise Development** promotes increased access to GSA's nationwide procurement opportunities. This office is the lead office in a nationwide network of regional Business Service Centers (BSC's). The BSC's are a resource aid for small businesses seeking contracting opportunities with the agency. The BSC's provide information, assistance, and counseling to private sector concerns seeking to do business with the Government and also coordinate and promote small and disadvantaged businesses, small women-owned businesses, historically Black Colleges and Universities, and HUBZone businesses.

GSA's **Regional Acquisition Management (RAM)** responsibilities include ensuring compliance with applicable statutes, regulations and directives related to GSA's contract management activities.

The **Office of Equal Employment Opportunity (EEO)** develops, implements, monitors, and evaluates GSA's agency-wide equal employment opportunity program (EEO) that creates a work environment free from discrimination.

### **Regional Focus**

GSA's customer operations support is accomplished primarily through its 11 regional offices and their field offices, where GSA

provides housing and real estate services, supplies, telephones and telecommunications, fleet services, and property management for Federal installations in the regions. Centralized Administrative Support offices in the regions work with agency program offices to provide support to help facilitate their missions.

### **Other Reimbursable**

These activities provide administrative services for non-GSA clients similar to those described under "Centralized Administrative Support," including accounting, payroll, budget, personnel and procurement. Customers include small agencies and Presidential committees and commissions.

Other Reimbursable activities also reflect the financial transactions for: (1) administrative support for the Inspector General Criminal Investigators Academy provided by the GSA Inspector General; (2) GSA Centralized Charges; (3) cost of internal GSA information technology support provided by the Chief Information Officer; and (4) administrative support for the Joint Financial Management Improvement Program (JFMIP).

## **HIGHLIGHTS**

**New Accounting System (PEGASYS):** In fiscal year 1999, the Office of the Chief Financial Officer continued its process of replacing the current National Electronic Accounting and Reporting (NEAR) financial management system with PEGASYS. The project is well underway with plans to launch PEGASYS in fiscal year 2000. The new system will include functional areas such as: funds management, accounts payable, accounts receivable, general ledger, cost management, reporting, online access to financial information, source data entry, and web-enabled technology.

# General Services Administration

## WORKING CAPITAL FUND

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**Electronic Processing:** GSA continues to emphasize Electronic Commerce in its billing and payment functions. Our cash management function continues to be increasingly electronic. In fiscal year 1999, GSA disbursed \$11.8 billion, 69% of it by electronic funds transfer representing half of all invoices.

**Payroll System:** In fiscal year 1999, GSA provided payroll services for an average of 14,243 GSA employees and 9,724 employees of client agencies at a production support ratio of 770 people payrolled per FTE. The Direct Deposit Program for employee payroll continues to maintain its upward trend. Approximately 98% of GSA's employees are paid by electronic funds transfer (EFT), and future years are expected to reach nearly 100% participation.

**GSA Intranet:** The GSA Chief Information Officer provides ongoing management for *Insite*, GSA's internal online communications system and gateway to the Internet. *Insite* offers GSA employees daily updates on issues and events, press releases, a telephone directory, document library, and information on employee benefits and retirement systems, travel and safety, as well as online access to financial reports and data. This Intranet is also becoming the backbone of our business and information operation.

**Office of the Chief People Officer:** Currently ongoing in the area of human resources is the design, development and implementation of the Comprehensive Human

Resources Integrated System (CHRIS). CHRIS is a fully integrated human resources system, which includes an interface with the Office of Finance payroll system. CHRIS will enable GSA to provide up-to-date information on personnel matters to our customers.

**The Office of Enterprise Development:**

In fiscal year 1999, GSA's contracts with small businesses totaled more than \$3 billion. This amount includes \$350 million for women-owned small businesses and more than \$1 billion for minority-owned small businesses, up 38%, and 28% respectively, over fiscal year 1998 results.

**Regional Support Ventures:** Much of GSA's experimentation with innovative or pilot programs is conducted through the regions. They are workshops, where partnerships with customers, communities and vendors are commonplace and a commitment to solving customers' problems enriches the quality of the services that GSA provides. Regional reinvention activities have brought about programs that have been adopted nationwide.

**Census 2000/Joint Venture 2000:** GSA and the Bureau of Census (BOC) have entered into a partnership to enable the BOC to complete its mission, the "Decennial (ten year) Census." GSA's role is to provide the BOC with temporary offices and related services such as telecommunications, furniture, supplies, office equipment, tracking and cost reporting, and property disposition. GSA has delivered 1,157 fully equipped facilities, totaling over 4.3 million square feet.



## General Services Administration WORKING CAPITAL FUND

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\$(Thousands)

	FY 1999 Actual	FY 2000 Current	FY 2001 Request	FY 2001/2000 Change
<b>Revenue</b>				
Operating Programs:				
Administrative Support	\$131,110	\$133,556	\$151,261	+\$17,705
Other Reimbursable	78,614	137,932	138,000	+68
<b>Subtotal</b>	\$209,724	\$271,488	\$289,261	+\$17,773
<b>Obligations</b>				
Operating Programs:				
Administrative Support	\$131,110	\$133,556	\$151,261	+\$17,705
Other Reimbursable	78,614	137,932	138,000	+68
<b>Subtotal</b>	\$209,724	\$271,488	\$289,261	+\$17,773
Major Equipment Acquisition and Development	14,723	7,500	7,300	-200
<b>Total Obligations</b>	\$224,447	\$278,988	\$296,561	+\$17,573
<b>Net Outlays</b>	0	0	0	-----
<b>Total Employment</b>	1,330	1,368	1,373	+5

### EXPLANATION OF ESTIMATES

The FY 2001 operating program level provides for increases of: (1) \$4,073 thousand for increased salary costs; (2) \$564 thousand for increased rent rates; (3) \$740 thousand for the increased cost of goods and services; (4) \$4,831 thousand to operate and maintain Pegasys; (5) \$375 thousand to operate and maintain the Comprehensive Human Resource System (CHRIS); (6) \$2,100 thousand and 3 FTE for Agency IT security; (7) \$600 thousand for Oracle

Site Licenses; (8) \$100 thousand for IT expenditures for the Office of the General Counsel; (9) \$575 thousand for Electronic Applicant Processing; (10) \$625 thousand to web-enable the CHRIS; (11) \$3,000 thousand for a New Initiative Reserve for the Working Capital Fund; and (12) \$190 thousand for relocation of the Mid-Atlantic Region Office. These increases are partially offset by a reduction of \$200 thousand in the Major Equipment Acquisition Development Program. These changes result in a net increase of \$17,573 thousand over fiscal year 2000.

# General Services Administration WORKING CAPITAL FUND

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Explanation of Budget Changes \$(Thousands) Obligations	
<b>FY 2000 Current Level</b> .....	<b>\$278,988</b>
Increased Salary Costs .....	+4,073
Rent Increase .....	+564
Increased Cost of Goods and Services .....	+740
Operate and Maintenance of Pegasys .....	+4,831
(CHRIS) Operate and Maintain – (CPO) .....	+375
Agency IT Security – (CIO) .....	+2,100
Oracle Site Licenses – Chief Information Officer (CIO) .....	+600
IT Expenditures – Office of General Counsel.....	+100
Electronic Applicant Processing – (CPO) .....	+575
Web-Enable the Comprehensive Human Resource System (CHRIS) – (CPO) .....	+625
New Initiative Reserve – Working Capital Fund .....	+3,000
Relocation Costs for the Mid-Atlantic Region Office.....	+190
Reduction in Major Equipment Acquisition and Development Program Level.....	-200
<b>FY 2001 Budget Request</b> .....	<b>\$296,561</b>

# General Services Administration

## WORKING CAPITAL FUND

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### WORKLOAD/PERFORMANCE MEASURES

Workload measures are provided for the Offices of the Chief People Officer and the Office of the Chief Financial Officer. GSA provides support services to members of

Congress for their State and District offices. The support services provided for members of Congress continuously fluctuates and is dependent upon various factors, e.g., election results, office space and location, constituent activity, etc.

### Centralized Administrative Support

Administrative Programs and Support	FY 1999 Actual	FY 2000 Current	FY 2001 Request	FY 2001/2000 Change
a. Congressional offices supported	1,391	1,400	1,400	0
b. FOIA requests processed	2,265	2,200	2,200	0

### Office of the Chief Financial Officer

Office of the Chief Financial Officer	FY 1999 Actual	FY 2000 Current	FY 2001 Request	FY 2001/2000 Change
<b>Financial Management and Accounting</b>				
a. Discounts Earned	87%	92%	92%	0%
b. Interest paid per million disbursed	\$190	\$100	\$100	0%
c. Percentage of employees paid by Electronic funds transfer	98%	100%	100%	0%
d. Percentage of dollars disbursed electronically	69%	80%	80%	0%
e. Percentage of invoices paid electronically	50%	75%	75%	0%
f. Percentage invoices received electronically (EDI)	9%	12%	15%	25%
g. Percentage of the number of vendor payments made on time	90%	95%	95%	0%
h. Invoices and billings processed	1,812,900	1,720,000	1,620,000	-5.8%
i. Invoices processed per FTE	10,600	10,700	10,800	.9%
j. Average number of employees payrolled 1/	23,967	29,700	40,200	35.4%
k. Employees payrolled per FTE	770	950	1,300	36.8%

1/ Includes small agencies and commissions: fiscal year 1999 = 9,724; fiscal year 2000 estimate = 15,500; fiscal year 2001 estimate = 26,000.

**General Services Administration**  
**WORKING CAPITAL FUND**

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<b>WORKING CAPITAL FUND</b> <b>Obligations by Object Class</b> <b>\$(Thousands)</b>				
		<b>FY 1999 Actual</b>	<b>FY 2000 Current</b>	<b>FY 2001 Request</b>
	Personnel Compensation:			
11.1	Full-time permanent	\$67,553	\$70,771	\$73,890
11.3	Other than full-time permanent	673	700	732
11.5	Other personnel compensation	<u>8,754</u>	<u>10,415</u>	<u>11,266</u>
11.9	Total personnel compensation	\$76,980	\$81,886	\$85,888
12.1	Civilian personnel benefits	31,611	38,424	39,886
13.0	Benefits for former personnel	500	1,637	1,666
21.0	Travel and transportation of persons	3,104	4,029	4,148
22.0	Transportation of things	531	2,036	2,058
23.1	Rental payments to GSA	11,757	13,831	15,489
23.3	Communications, utilities, and misc. charges	20,610	24,035	24,117
24.0	Printing and reproduction	2,739	5,056	5,161
25.2	Other services	39,378	61,879	68,632
25.3	Purchase of goods & services	28,754	34,625	37,518
26.0	Supplies and materials	2,274	3,965	4,099
31.0	Equipment	6,209	7,585	7,899
99.9	Total obligations	\$224,447	\$278,988	\$296,561

# General Services Administration

## ALLOWANCES AND OFFICE STAFF FOR FORMER PRESIDENTS

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### BACKGROUND

The appropriation for Allowances and Office Staff for Former Presidents provides for an annual pension and compensation of office staffs and other related operating expenses for each former President pursuant to P.L. 85-745. The annual pension and cost of franking privileges for the widow of former President Johnson are also funded in this appropriation.

### THE BUDGET IN SUMMARY

The FY 2001 budget request allows GSA to carry out the provisions of the Former Presidents Act at a level commensurate with that of the previous fiscal year. The FY 2001 request includes an increase for the commencement of benefits for President Clinton changing status to a former President beginning January 20, 2001 and for the full year cost of the pension increase authorized for FY 2000.

### ALLOWANCES AND OFFICE STAFF FOR FORMER PRESIDENTS \$(Thousands)

	<b>FY 1999 Actual</b>	<b>FY 2000 Current</b>	<b>FY 2001 Request</b>	<b>FY 00 - FY 01 Change</b>
Former Presidents	\$2,024	\$2,241	\$2,517	\$276
Total Budget Authority	\$2,024	\$2,241	\$2,517	\$276
Net Outlays	\$2,051	\$2,241	\$2,517	\$276

### EXPLANATION OF ESTIMATES

The FY 2001 budget request reflects an increase of \$256 thousand for the commencement of benefits for President Clinton as a former President. In addition, \$20 thousand is requested for the full year cost of the FY 2000 pension increase for the current former Presidents.

<b>ALLOWANCES AND OFFICE STAFF FOR FORMER PRESIDENTS Explanation of Budget Changes \$(Thousands)</b>	
<b>FY 2000 Current Level.....</b>	<b>\$2,241</b>
Increase for President Clinton.....	\$ 256
FY 2000 Pension Increase.....	\$ 20
<b>FY 2001 Budget Request.....</b>	<b>\$2,517</b>

**General Services Administration**  
**ALLOWANCES AND OFFICE STAFF FOR FORMER**  
**PRESIDENTS**

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<b>ALLOWANCES AND OFFICE STAFF, FORMER PRESIDENTS</b> <b>Obligations by Object Class</b> <b>\$(Thousands)</b>				
		<b>FY 1999</b> <b>Actual</b>	<b>FY 2000</b> <b>Current</b>	<b>FY 2001</b> <b>Request</b>
11.8	Special personnel service payments	<u>377</u>	384	<u>414</u>
11.9	Total personnel compensation	<u>377</u>	384	<u>414</u>
12.1	Civilian personnel benefits	85	88	99
13.0	Benefits for former personnel	628	644	759
21.0	Travel and transportation of persons	80	131	136
23.1	Rental payments to GSA	582	625	685
23.3	Communications, utilities, and misc.	116	130	140
24.0	Printing and reproduction	33	33	36
25.2	Other services	34	146	164
26.0	Supplies and materials	60	43	48
31.0	Equipment	29	17	36
99.9	Total Obligations	2,024	2,241	2,517

FY 2001 OMB BUDGET  
GENERAL SERVICES ADMINISTRATION  
**ALLOWANCES AND OFFICE STAFF FOR FORMER PRESIDENTS**

	FY 2001 REQUEST						
	FORMER PRESIDENTS						
	\$(THOUSANDS)						
	FORD	CARTER	REAGAN	BUSH	CLINTON	WIDOW	TOTAL
Personal Compensation.....	96	96	96	96	30	0	414
Personnel Benefits.....	24	5	24	35	11	0	99
Benefits for Former Personnel:							
Pensions.....	157	157	157	157	111	20	759
Travel.....	50	2	16	57	11	0	136
Rental Payments to GSA.....	99	93	285	147	57	0	681
Communications, Utilities and Miscellaneous charges							
Telephone.....	17	28	15	17	6	0	83
Postage.....	2	22	10	11	4	2	51
Printing.....	3	8	14	11	3	0	39
Other Services.....	14	79	44	12	16	0	165
Supplies & Materials.....	9	10	20	11	4	0	54
Equipment.....	5	9	3	16	3	0	36
<b>Total Obligations.....</b>	<b>476</b>	<b>509</b>	<b>684</b>	<b>570</b>	<b>256</b>	<b>22</b>	<b>2,517</b>

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# **General Services Administration EXPENSES, PRESIDENTIAL TRANSITION**

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## **BACKGROUND**

The Presidential Transition Act of 1963, Public Law 88-277, (3 U.S.C. 102 note), as amended, was enacted to provide for the orderly transfer of executive power in connection with the expiration of the term of office of a President and the inauguration of a new President.

Transition funds become available to the incoming administration beginning the day following the day of the general election, and ending 30 days following the inauguration. Funds are available for expenses of the outgoing President and Vice President from 30 days before, until 6 months after their terms of office expire.

## **EXPENSES, PRESIDENTIAL TRANSITION \$(Thousands)**

	<b>FY 1999 Actual</b>	<b>FY 2000 Current</b>	<b>FY 2001 Request</b>	<b>FY 00/FY 01 Change</b>
Transition Activities	\$0	\$0	\$6,100	+\$6,100
Agency Briefings	\$0	\$0	\$1,000	+\$1,000
Total Budget Authority	\$0	\$0	\$7,100	+\$7,100
Net Outlays	\$0	\$0	\$7,100	+\$7,100

## **EXPLANATION OF ESTIMATES**

The Presidential Transition Effectiveness Act, Public Law 100-398, signed August 17, 1988, authorized not more than \$4,300,000, to the incoming administration, and \$1,800,000 to the outgoing administration. These funds may be used to provide suitable office space for transition activities, provide compensation to transition office staffs, acquire communication services, provide allowances for travel and subsistence, and for printing and postage costs associated with the transition. Provisions of Public

Law 100-398, also provided the authority to adjust the funding limits for the effects of inflation. The FY 2001 estimate for the incoming and outgoing administrations is the cumulative effect of annual baseline adjustment factors applied to the FY 1997 base transition request of \$5,600,000. In addition, \$1,000,000 is requested to reimburse Federal agencies for costs related to briefing personnel associated with the incoming administration, pending legislative authorization. This pending legislation, H.R. 3137, has passed the House of Representatives and is referred in Senate.



# General Services Administration

## EXPENSES, PRESIDENTIAL TRANSITION

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EXPENSES, PRESIDENTIAL TRANSITION	
Explanation of Budget Changes	
\$(Thousands)	
<b>FY 2000 Current Level.....</b>	<b>\$0</b>
Expenses, Presidential Transition.....	+ 7,100
<b>FY 2001 Budget Request.....</b>	<b>\$7,100</b>

For expenses necessary to carry out the Presidential Transition Act of 1963, as amended,

\$7,100,000. (3 U.S.C. 102, note)

# General Services Administration

## OFFICE OF INSPECTOR GENERAL

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This budget submission contains a new section which highlights the key factors affecting the Office of Inspector General's FY 2001 budget request. This section describes our major initiatives and related resource requirements. See page IG-3.

### MISSION

The Office of Inspector General (OIG) was established by the Inspector General Act of 1978 as an independent unit, charged with responsibility for promoting economy, efficiency, and effectiveness and detecting fraud, waste, and mismanagement in GSA's programs and operations. This is accomplished primarily through a comprehensive, nationwide audit and investigative program covering GSA's internal operations and external contractors.

The OIG's primary operational components consist of the:

**Office of Audits** - a multidisciplinary staff of financial and technical experts who provide audit coverage of GSA's internal operations and external contractors;

**Office of Investigations** - an investigative unit that manages a nationwide program to detect and prevent illegal and improper activities involving GSA programs, operations, and personnel; and

**Office of Counsel to the IG** - an in-house legal staff that provides advice and assistance to all OIG components, represents the OIG in connection with audits and investigations, and in litigation arising out of or affecting OIG operations, and handles legislative matters.

### **Office of Administration**

These components are supported by the Office of Administration which provides budget, personnel, computer, and other support services; and the Internal Evaluation

Staff that directs an in-house assessment program including field office appraisals and is responsible for internal affairs reviews of OIG operations.

Through its programs and operations, the OIG supports GSA's overall mission to improve the effectiveness of the Federal government by creating a high quality work environment for its employees.

The commitment by both the President and the Congress to achieve a more effective and cost efficient government brings with it significant transformations in how most federal agencies operate. GSA is no exception. Certainly, the agency will continue to oversee the management of the Federal government's buildings; regulate the acquisition, use, and disposition of property; and coordinate Federal telecommunications.

However, the nature of GSA's oversight, regulatory, and coordination roles has been and will continue to be evaluated and analyzed. Confronting the agency will be reform efforts seeking innovative approaches to accomplishing its mission. These efforts will include laws, policies, and regulations that propose to substantially reform its existing activities and streamline the work processes to provide better services and product delivery and reduce the complexity of GSA's oversight mechanisms.

The OIG's mission provides it with a unique ability to objectively evaluate agency operations, and assist the agency in incorporating the results of those evaluations into GSA's policy making processes. We will increasingly focus our efforts on assisting the agency in adopting business-like practices, streamlining its organizations, cutting overhead and unnecessary costs, and reengineering its work processes to deliver quality goods and services to its customers. The OIG will also assist the agency by identifying and

# General Services Administration

## OFFICE OF INSPECTOR GENERAL

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mitigating vulnerabilities, particularly those resulting from changes in the Agency's methods of doing business and from changing legal and administrative requirements in an effort to maximize support provided to GSA as it continues to transform.

Specifically, the OIG has identified three strategic goals aimed at aligning our activities so that they are consistent with GSA's strategic goals and business objectives.

Strategic Goal No. 1 - Identify opportunities for increased economy and efficiency in agency operations; assist agency management by identifying, recommending, and developing appropriate management improvements; and ensure that GSA programs provide optimum value for the taxpayers.

Strategic Goal No. 2 - Protect the integrity of GSA programs and operations by preventing, detecting, and responding to waste and wrongdoing and by identifying and mitigating vulnerabilities, particularly those resulting from changes in the Agency's methods of doing business and from changing legal and administrative requirements.

Strategic Goal No. 3 - Improve the delivery of the OIG work product.

### **ACTIVITIES**

The OIG will accomplish its mission by several methods:

1) Conducting independent audits of GSA's programs and internal operations to identify opportunities for improvement;

2) Conducting independent audits of GSA's contractors to ensure GSA and the Federal

customer are getting the best value for the taxpayers' dollar;

3) Conducting investigations of GSA's programs and operations when circumstances indicate potential fraud, criminal activity, or mismanagement;

4) Working with GSA management to identify and implement operational improvements to GSA's internal management processes and to develop entrepreneurial and competitive business practices designed to increase the quality and timeliness of GSA's services;

5) Working with GSA management and employees to ensure that appropriate internal controls and measures are in place to help optimize the performance of the Agency's mission;

6) Working with GSA managers and employees to increase their knowledge and awareness of fraud to reduce and prevent its occurrence in GSA's programs and operations.

### **BUDGET IN SUMMARY**

In FY 2001, the OIG will continue to provide audit and investigative services across the broad spectrum of GSA's activities. During FY 2001, we will continue to commit substantial audit resources to program evaluation reviews of GSA's major operations. We will also focus our investigative efforts on detecting and preventing fraudulent activity in GSA's

procurement, contracting, property disposal, leasing activities, and on identifying program vulnerabilities. The Office of Inspector General requests a \$34.520 million direct appropriation supporting 297 FTE's for FY 2001. This includes funding for the mandated availability pay requirement for criminal investigators.

# **General Services Administration**

## **OFFICE OF INSPECTOR GENERAL**

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Approximately 91% of the OIG's staff resources will be devoted directly to our audit and investigative efforts: 62% to our audit program; 25% to our investigative efforts; and 3% to the Counsel to the Inspector General for direct support of both audits and investigations. The remaining resources are for overall administrative, personnel, and information technology systems support.

The OIG will continue to seek better ways to provide a high level of service to GSA by: identifying and implementing internal steps to improve, eliminate and reduce our administrative requirements; working smarter through quality management initiatives; and focusing on customer service and satisfaction.

### **KEY FACTORS AFFECTING THE OFFICE OF INSPECTOR GENERAL'S FY2001 BUDGET REQUEST**

#### **BACKGROUND**

Beginning in FY 1995, the Office of Inspector General launched a major re-engineering effort designed to broaden the audit and investigative services we provide to our clients, add value to our customers, and enhance our own organizational efficiency. Federal downsizing and consolidations, the changing environment in Government, and rapid technological advances prompted our efforts. While not losing sight of our primary mission of protecting against waste, fraud and abuse, we changed the culture of our organization so we could do more with less.

As a result, we evolved from a predominantly compliance and reactive type of organization to one that addresses systemic issues, performs broader scope GSA program and information systems reviews, provides advice and assistance to management, and focuses on high impact investigative cases. Our focus is to be an

agent of positive change and help GSA achieve its goals.

Our long-term approach involves many integrated initiatives. Some of these initiatives include reinventing our methodologies for performing programmatic and other types of reviews and investigations, implementing the team concept for performing our reviews, and expanding the types of services we offer our customers. We are also improving our technical capabilities. We have established a systems audit staff, implemented better strategic and audit planning, improved communications within our own organization and with management, and implemented many other initiatives to improve our operations.

Our actions have produced positive results within a short period of time. For example, our Reports to the Congress for the past several years have documented many positive changes identified by our audits and implemented by the agency; customer surveys show that our products and services meet management's needs and add value; and the requests for audit services from management, the Congress and OMB are on the rise. Our audit and investigative efforts have resulted in identifying and mitigating numerous systemic problems and high dollar fraud schemes involving GSA's programs and operations. The benefits from our initiatives will continue to grow into the new millennium.

Additionally, the internal cultural changes have helped create positive benefits for our staff. The most recent GSA culture survey asked employees to rate their organization on such issues as Well Being, Work Performance, Work Satisfaction, Communication, Teamwork, Performance Measurement, Technology, etc. The survey showed that our office made significant

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improvement in all measured categories when compared to a previous survey, and we received consistently high ratings when compared to all other GSA components. As a result of all of the actions taken, we were awarded the Hammer award by the Vice President of the United States in June of 1998 for our efforts and accomplishments.

However, the inflationary spiral of rising costs, the changing skills needed by our professional staff, and the enhanced technical environment in which we work, will make it more difficult to accomplish our mission objectives in the absence of increased funding. Following are highlights of our office's initiatives and performance measures with related budgetary requirements. We have also delineated some of the impediments which hinder our mission accomplishments and their budget (resource) implications.

### INITIATIVES AND RESOURCE DEMANDS

#### Office of Audits.

The OIG's shift in focus, away from auditing strictly to assess the agency's compliance with rules and regulations, to undertaking work that assists the agency in better performing its mission and achieving its specific goals, has required a very different approach in the way we do business. Since the mid-to-late-nineties, we have been providing a broader array of services to management. We are continuing to improve, and in some cases, expand upon these services.

1. **Program Reviews** – Over the past several years, our office has significantly changed and expanded the scope and methodology of these broad-based reviews. Program reviews produce formal audit reports that provide GSA management with an independent

assessment of whether or how well a program is meeting its mission and point out specific areas where program outcomes can be improved. These reviews are now a staple of our organization. Because they help management “see the forest” our reports are a primary vehicle for influencing positive change in GSA's programs and operations. We will continue to direct more resources to this area.

2. **Consulting Services** – The OIG plays a unique and critical role in providing GSA and the Congress with independent analyses of various reform initiatives. This activity provides managers with a ready source of professional services to help address specific issues, conduct research, or perform options analysis. These services are performed with a quick response and are advisory in nature. We have been increasingly called upon to serve as consultants through our advisory and best practice reviews, task force participation, and benchmarking studies. Benchmarking and best practice reviews collect information on what the private sector and other government organizations consider best practices to help GSA gauge how well it is performing similar services or functions, and to identify opportunities for improvement. We fully expect this valuable service will continue at current and/or enhanced levels for the long term.
3. **Information Technology and Systems Reviews** – The Office of Audits faces new challenges in the 21<sup>st</sup> century in the information technology (IT) area. In FY 1998 we accepted these challenges by creating an Information Systems Audit Office with an initial staff of 6 FTE. The mission of this organization was to identify the IT workload in GSA, establish an OIG presence in this critical and

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growing area, and develop the technical expertise to perform these complex reviews. Over the past two years we expanded our capabilities to where our FY 2000 plan dedicated 12 FTE to performing IT and systems review work.

Recent information indicates that our capabilities in IT and systems need to continue to grow. GSA has a huge information technology universe with over 80 major automated information systems, many smaller systems, and hundreds of local area networks. Our IT audit universe must apply more resources to system development efforts in GSA and important security issues associated with operating GSA systems and networks, and with using the Internet and Intranet. In addition, we must address local, long distance, voice, data, and other issues associated with telecommunications. We intend to expand our systems audit group by over 40% by FY 2004 in order to have the staff capable of performing the necessary reviews. Similarly, the fundamental changes that information technology has brought to the way GSA does business will require a corresponding increase in our technical and other training for existing and new staff associated with this effort.

#### 4. **Financial and Regulatory**

**Requirements** - The passage of the CFO Act in 1990 has had a significant impact on our operations. Even before passage of the Act, the OIG contracted out the audit of GSA's financial statements to a public accounting firm in order to minimize its impact on existing resources and to acquire the technical expertise to perform the audit.

Accordingly, we only needed a small number of financial auditors to oversee the work performed under the contract. However the time, effort, and expertise required to administer the audit of the

financial statements has grown substantially: new legislation and complex accounting and auditing policies must be analyzed; efforts to assist GSA management in working through associated issues have grown; and time needed to address audit issues related to the audit of the government-wide consolidated financial statements has increased. There is also a need for the OIG to assume at least partial responsibility for performing segments of the annual financial statement audit. In addition there are new and increasing requirements imposed on our office as a result of GPRA and other legislation. These issues require that we have sufficient staff with the financial background and expertise to perform the necessary reviews. We intend, as with the systems group, to enlarge our financial audit group (by shifting existing resources) in the next several years to keep up with the increasing demands. As in the information technology area, we must expand our financial and technical systems training for existing and new staff to accomplish our goals.

#### **Office of Investigations**

The Office of Investigations is responsible for the conduct of criminal, civil, and administrative investigations nationwide. It is the OIG's fully accredited Federal law enforcement component and provides expert investigative services to GSA, the Department of Justice, United States Attorneys' offices throughout the country, and to other Federal and state agencies.

The Office of Investigations will continue to enhance its ability to react to changing crime patterns that threaten GSA programs and operations by such innovative techniques and initiatives as those described below.

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### 1. **Electronic Investigative Techniques** -

The OIG has been steadily increasing its use of electronic investigative techniques - body-wires, electronic monitors, and covert video surveillance - in our investigations. Our enhanced ability to present prosecutors, courts and defendants with audio and videotapes of violations has led to more pleas and cooperation in many instances.

Examples are the increasing number of cases where defendants have been willing to provide evidence and implicate codefendants in bribery cases since we began enhancing our use of such techniques. Our expertise in the use of such electronic surveillance has led to our participation, and even to playing a lead role, in multi-agency investigations with the FBI, Secret Service, Postal Service and Department of Defense agencies. This success creates new resource demands, physical and monetary, because of the added costs of specialized equipment and training, as more agencies request our assistance in cooperative investigations. While this success creates new resource demands, it has returned very real dividends in the identification of public corruption schemes crossing agency and Federal-state jurisdictional lines costing taxpayers millions of dollars.

2. **Seizure of Computer Evidence** -The increased dependence on computers has created a new challenge to law enforcement. Seizing computerized evidence is a complex and specialized endeavor. It requires extensive training and expensive equipment in a constantly changing environment. The Office of Investigations has seen a dramatic rise in the need for trained computer evidence recovery specialists. Previously, we relied on other agencies to perform this function. However, because of the increasing demand for

this ability and the need for immediate access to such resources to recover evidence of contract fraud, bribery, and extortion, we need to further develop our own capabilities. Accordingly, we have launched an effort to train a core group of Seized Computer Evidence Recovery Specialists within our Office of Investigations.

3. **Sourcing** - We are constantly engaged in identifying areas of vulnerability to fraud within GSA programs and operations. These efforts include organizing meetings with our law enforcement counterparts, as well as with agency and industry representatives. We proactively review GSA programs and contracts for vulnerabilities or indications of fraud. Currently 7.5% of our resources are expended in this area. At this time, we have targeted electronic fraud and computer related crimes such as computer intrusion, telecommunication fraud and credit card fraud. We have become involved in several major multi-agency task force investigations through these proactive efforts.
4. **Electronic Crimes** - Fraud is more frequently being perpetrated via the use of computers. The Office of Investigations has seen a rise in our investigations of telecommunications fraud utilizing computers and access devices. We are currently involved in cooperative investigations with the Secret Service and the telecommunications industry involving fraudulent access to government communications systems, including investigations of hackers gaining access to key telecommunications switches. The agency and industry are moving further into the arena of computerized contract awards using electronic mail and the Internet. As GSA moves closer

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to its goal of electronic commerce via the Internet, more crimes will be perpetrated via this medium. We anticipate there will be increased incidents of electronic forgeries and fraudulent data submissions from vendors. Computer manipulation of sales data will be an issue as many GSA contracts involve rebates or industrial funding fees. Credit card frauds are being perpetrated through the use of computers and computerized databases. We are currently involved in investigations involving the interception of credit cards and calling cards and have made several arrests this year already. All these developments create new demands and training needs for our investigative workforce.

government, GSA annually awards billions of dollars in contracts for goods and services. The OIG will continue to support the contract program. When appropriate, we will audit vendors' records and develop financial information needed by GSA's contracting officers to negotiate favorable pricing arrangements. Even though the number of contract actions is decreasing as GSA moves to implement new initiatives such as extending contracts for longer periods, the dollar volume of GSA's contract program is increasing. We anticipate that for FY 2001, our monetary recoveries will remain consistent with FY 1999 and FY 2000 levels - \$150 – 200 million in recoveries and avoidances.

### **TRADITIONAL SERVICES**

The Office of Inspector General will continue to provide GSA and the Congress with its traditional services in the areas of management and systems control reviews as well as selected reviews of GSA's multi-billion dollar contract program.

1. **Management Control Reviews** - The Office of Audits will continue to test management controls built into programs and systems to ensure they function as intended and provide reasonable safeguards over assets. We believe control systems are becoming more important in an evolving work environment which calls for fewer supervisors, more decentralization of authority, and more individual empowerment. We will work closely with management to share our expertise in internal controls with program personnel throughout the Agency.
2. **Contract Auditing** - As a major procurement Agency within the Federal



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### **IMPEDIMENTS TO MISSION ACCOMPLISHMENT**

#### **1. Staff Development and Training -**

From FY 1992 to FY 1999, the OIG lost almost 35% of its resources due to downsizing and budgetary limitations. During this period, we were forced to reconsider how we do business, re-focus and re-tool our operations, and try to do more with less. We operated in a virtual hiring freeze environment. However, that gap in regular hiring plus the increased demand for computer knowledge, financial management and accounting skills described above, and the need for specialized investigator skills, has created a pressing need for significant staff development and training.

**Office of Audits** - We have an urgent need to expand our technological and financial audit capabilities. In addition, we are faced with an aging work force. Over 50% percent of our senior level directors and managers and a growing number of auditors and analysts are either eligible or will be eligible to retire in the next several years. To address this issue we started hiring at the entry level, with some supplemental hiring at the journeyman and supervisory levels. We are experiencing significant difficulty in hiring at both levels because of the current job market for people with strong computer science, information systems, and accounting skills; the added requirements imposed on accountants by the AICPA; and the increasing salary demands of people with the needed skills. This forced us to revise our approach. While we continue seeking to hire accountants, computer science, and information systems majors for certain critical needs, we are now hiring most of our audit staff with degrees in general business or liberal

studies. However, this has required supplementing their skills with technical training in addition to the entry-level training needed to develop a journeyman auditor. Furthermore, due to our aging work force, we have started providing more supervisory training for our journeyman staff in anticipation of senior staff losses over the next several years.

Accordingly we more than doubled our classroom training allocation for FY 2000 to cover technical, developmental and supervisory training; and our "on-the-job training" costs continue to grow as we hire more new staff. These increases will continue for the next several years.

**Office of Investigations** - The Office of Investigations has successfully managed a major reduction in its FTE level - from 113 employees to a current staffing of 76 - through reorganization from district offices to zonal offices, and reducing the number of managers and central office employees. This resulted in management and support FTE's being reallocated to special agent positions in the field offices. However, because of mandatory retirements and staff reductions that came almost exclusively from our senior levels, we have been left with a very young and comparatively inexperienced investigative workforce. For example, sixty-four percent (64%) of our special agents have been in their positions less than two years. There is a need to devote considerable resources to quickly developing these agents.

Additionally, the dramatic increase in the need for agents specifically trained in the seizure and collection of evidence from computer systems has made it necessary to initiate the Seized Computer Evidence Recovery Specialist (SCERS) training program. We have also seen a rise in the need for our agents to assume undercover roles to

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perform investigations. Undercover operations require highly specialized training, both for the agents involved and for those responsible for managing the investigations and assuring their safety. To meet this need, we are creating an undercover training program. We foresee the need for increased training expenditures due to these specialized investigative requirements.

### 2. Travel Costs

The downsizing and reorganization we have undergone the past few years has resulted in additional travel to ensure proper audit and investigative coverage. We perform national program reviews and other audits, as well as nationwide investigations, using teams staffed with auditors and investigators from various parts of the country. This inter-regional team approach is necessary to sufficiently staff, train and provide expertise on our more complex and large projects. The team approach and the need to perform our contract and other work effectively by going to where the work is, has caused a significant increase in our job related travel. In addition, the inflationary spiral of increased hotel and per diem rates, plus the recent practice of travel agencies adding surcharges ranging up to 10% will continue to cause a significant increase in our travel costs. We expect these costs to continue to increase in FY 2001 and beyond.

### 3. Other Support Costs

Pay and Inflation - In addition to the increases in training and travel costs, the general increases in pay and inflation continue to make it more difficult to both maintain our current level of operations and expand our capabilities to meet the increasing demand for our services.

#### Computer Infrastructure Support Costs

GSA's increased use of the Internet for its daily business transactions and systems applications has resulted in a 200% increase in infrastructure traffic. This, in turn has resulted in increases in Local and Wide Area networks, electronic messaging, maintenance and equipment charges, as well as increases in systems software support and site licensing fees. As an example of the budgetary impact from these increases, from FY 1999 to FY 2000, GSA has proposed to increase the OIG's allocated share of infrastructure support costs from \$342K to \$642K, an 88% increase in one year. It is anticipated that these costs will continue to increase in FY 2001 and beyond.

Rent and Office Relocations – The last few years has seen a steady increase in our rent costs with further increases projected for FY 2001 and beyond. In an attempt to improve our work environment, improve the efficiency of our internal operations, and enhance our ability to work in a team environment, we are seeking to consolidate several of our Washington D.C. area field offices. Although we expect to realize some administrative savings and increased operational efficiencies, the rental costs will increase.

Staff Relocations – Because of the loss of experienced audit and investigative staff due to retirements and general attrition, we have had to relocate various staff members to different geographic locations. We anticipate additional relocations resulting from the anticipated future loss of our senior level and managerial staff members.

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## SELECTED OIG PERFORMANCE MEASURES AND GOALS

Following are selected OIG performance measures and goals for the initiatives described above and for the related demand and shift in resource allocations.

### Allocation of OIG resources

Allocation of resources to OIG Major components						
		FY1999		FY2000		FY2001
	\$000	FTE	\$000	FTE	\$000	FTE
Audits	19,906	181	20,490	183	21,029	183
Investigations	8,000	72	8,329	74	8,830	74
Counsel of the IG						
Internal Evaluation						
Administration						
(Office of the IG)	3,840	34	4,498	40	4,661	40
Totals	31,746	287	33,317	297	34,520	297

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Refocus the allocation of Office of Audit resources from contract audit issues to more internal GSA program and operational issues. *(Strategic Goals 1 and 2)*

Increase the percentage of resources devoted to internal reviews to 80 percent by 2004								
	FY 1995 Baseline		FY 1999		FY 2000		FY 2001	
	%	(\$Mil)	%	(\$Mil)	%	(\$Mil)	%	(\$Mil)
Contract Audits	50%	\$10.2	30%	\$6.1	25%	\$5.1	24%	\$5.1
Internal Audits	50%	\$10.2	70%	\$14.1	75%	\$15.4	76%	\$16.1

Shift internal audit resources from reviews that focused on compliance with regulations to reviews that focus on assisting GSA achieve Agency program goals. *(Strategic Goals 1 and 2)*

Increase the percentage of resource devoted to non-compliance internal reviews to 80 percent by 2004.								
	FY 1995 Baseline		FY 1999		FY 2000		FY 2001	
	%	(\$Mil)	%	(\$Mil)	%	(\$Mil)	%	(\$Mil)
Program	40%	\$4.1	33%	\$4.7	44%	\$6.8	44%	\$7.1
Consulting	N/A*		10%	\$1.4	12%	\$1.8	12%	\$1.9
IT Systems	N/A*		16%	\$2.3	12%	\$1.8	14%	\$2.3
Financial	9%	\$ .9	10%	\$1.4	9%	\$1.4	10%	\$1.6
Subtotal Noncompliance	49%	\$5.0	69%	\$9.8	77%	\$11.8	80%	\$12.1
Compliance	51%	\$5.2	31%	\$4.4	23%	\$3.5	20%	\$3.2
*Did not exist in FY 1995								

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Shift OIG investigative resources to high impact cases. (*Strategic Goal #2*)

The Office of Investigations will direct its investigative resources to issues having the most potential identifiable impact on the efficiency, effectiveness, and integrity of GSA programs and operations. Approximately 80% of our resources will be directed to high impact or Class A investigations which include monetary losses over \$250K, suspensions involving contracts over \$250K, health and safety issues, employee corruption, and integrity issues involving GS-15 or above. Class B and C investigations are criminal/civil investigations involving the integrity of GSA functions, which do not meet the thresholds defined above.

	FY 1999		FY 2000		FY 2001	
Class A	\$3.8 Mil	78%	\$4.2 Mil	80%	\$4.3 Mil	80%
Class B & C	\$1.1 Mil	22%	\$1.0 Mil	20%	\$1.1 Mil	20%

Increase the percentage of audits that have a positive impact on agency operations by identifying appropriate management improvements to insure GSA meets its strategic goals and its programs provide optimum value to the American taxpayer. (*Strategic Goal 1*)

Increase the percentage of audits having a positive impact on agency operations to 70 percent by 2004.

	FY 1999	FY 2000	FY 2001
Percent of Audits	59%	60%	61%
Cost of Audits	\$9.4 Mil	\$10.1 Mil	\$11.1 Mil

Increase the percent of audit reports issued that have a positive impact on protecting the integrity of agency programs during a period of changing vulnerabilities and changes in government. (*Strategic Goal 2*)

Increase the percentage of audits having a positive impact on protecting integrity to 60 percent by 2004.

	FY 1999	FY 2000	FY 2001
Percent of Audits	49%	49%	54%
Cost of Audits	\$9.0 Mil	\$9.3 Mil	\$10.2 Mil

Improve the quality of our audit products and services, and ensure that they add value to GSA's ability to become a more competitive, effective, and customer responsive organization. (*Strategic Goals 3*)

Improve the assessments from our customer surveys of the overall quality of our reports so that they reach a level of 4.5 on a scale of 1 to 5 for both contract and internal audits by 2004.

	FY 1996 Baseline	FY 1999	FY 2000	FY 2001
Contract Audits	3.7	4.4	4.4	4.5
Internal Audits	3.4	4.3	4.3	4.4

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Training - Train the audit staff and develop the expertise needed to perform the types of reviews that best serve our clients' needs and allow us to meet our mandated requirements. (*Strategic Goals - All*)

Increase the percentage of resources devoted to both on-the-job and formal classroom training.			
	FY 1999	FY 2000	FY 2001
Training Allocation	\$684,000	\$1.2 Mil	\$2.1 Mil
Percent of Budget	3.4%	6%	9.7%

Training - Train inexperienced investigators and develop computer seizure (SCERS) and undercover training. (*Strategic Goals – All*)

As a result of the continuing renewal of the Office of Investigations we are training a work force consisting of over 60% inexperienced investigators. To provide the quality product we demand, we will invest approximately 10% of our investigative resources to training per year. This training includes formal investigative, defensive, and other training related to the performance of our duties.			
	FY 1999	FY 2000	FY 2001
Training Allocation	\$684,000	\$1.2 Mil	\$2.1 Mil
Percent of Budget	3.4%	6%	9.7%

Travel - Ensure that the OIG has sufficient travel money available to perform all necessary audit and investigative work and to attend the necessary training to develop our staff. (*Strategic Goals – All*)

Increase the amount of Audit and Investigative resources available for necessary travel (operational needs, training, etc.).			
	FY 1999	FY 2000	FY 2001
Office of Audits	\$934K	\$1.0 Mil	\$1.1 Mil
	4.7%	5.2%	5.2%
Office of Investigations	\$245K	\$265K	\$300K
	3.1%	3.2%	3.5%

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## OFFICE OF INSPECTOR GENERAL \$(Thousands)

	<b>FY 1999 Actual</b>	<b>FY 2000 Current</b>	<b>FY 2001 Request</b>	<b>FY 00/01 Change</b>
<b>Direct Program:</b>	31,746	33,317	34,520	1,203
<b>Reimbursable Program:</b>	13	150	150	0
Total Direct & Reimbursable	31,759	33,467	34,670	1,203
<b>Net Outlays</b>	32,438	32,700	33,800	1,100
<b>Employment (FTE)</b>	275	297	297	0

### EXPLANATION OF ESTIMATE

Additional funding is required between fiscal year 2000 direct appropriation and the year 2001 request to absorb inflation cost and pay raises.

<b>OFFICE OF INSPECTOR GENERAL Explanation of Budget Authority Changes \$(Thousands)</b>	
<b>FY 2000 Current Level</b>	<b>\$33,317</b>
Pay Raise	+1,072
Inflation	+131
<b>FY 2001 Budget Request</b>	<b>\$34,520</b>

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OFFICE OF INSPECTOR GENERAL Obligations by Object Class \$(Thousands)			
	FY 1999 Actual	FY 2000 Program	FY 2001 Request
Personnel Compensation:			
11.1 Full-time permanent	18,928	19,082	20,395
11.3 Other than full-time permanent	40	50	50
11.9 Total personnel compensation	18,968	19,132	20,445
12.1 Personnel benefits	4,387	4,500	4,500
13.0 Benefits for former personnel	0	50	50
21.0 Travel and transportation (direct)	1,301	1,740	1,600
21.0 Travel and transportation (motor pool)	86	85	85
22.0 Transportation of things	64	65	60
23.1 Rental payments to GSA	2,541	2,720	2,720
23.3 Communications, utilities, misc. charges	268	270	270
24.0 Printing and reproduction	53	40	40
25.2 Other services	3,816	4,400	4,400
26.0 Supplies and materials	193	200	200
31.0 Equipment	69	115	150
99.0 Subtotal Direct Obligations	31,746	33,317	34,520
99.0 Reimbursable	13	150	150
99.9 Total Obligations	31,759	33,467	34,670

### Appropriation Language

For necessary expenses of the Office of Inspector General and services authorized by 5 U.S.C. 3109, [\$33,317,000] \$34,520,000: Provided, That not to exceed \$15,000 shall be available for payment for information and detection of fraud against the Government, including payment for recovery of stolen Government property. Provided further, That not to exceed \$2,500 shall be available for awards to employees of other federal agencies and private citizens in recognition of efforts and initiatives resulting in enhanced Office of Inspector General effectiveness (Independent Agencies Appropriations Act, 2000).



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### **THE FY 2001 PERFORMANCE PLAN**

Over the next 5 years, the OIG will increasingly focus its efforts in areas intended to enhance the management and overall performance of GSA and will increasingly align its activities so that they more directly support the strategic goals and business objectives of the Agency. Moreover, the OIG will identify and assist GSA in mitigating emerging vulnerabilities in an effort to maximize the support it provides to GSA management in this time of reform.

### **Strategic Goal No. 1**

Identify opportunities for increased economy and efficiency in Agency operations; assist management by identifying, recommending, and developing appropriate management improvements; and ensure that GSA programs provide optimum value for the taxpayers.

### ***Discussion***

Among the more salient contributions that the OIG can make to the management of GSA is the identification of areas in which focused management reforms would produce greater efficiencies for GSA and substantial savings for the American taxpayers. GSA, like most Federal organizations, developed its organizational structures, business practices, and work systems and procedures many years ago in an environment far different from that of today. The infrastructure of GSA, developed in an era that placed a high value on uniform standards and control mechanisms, must give way to new approaches that will result in greater efficiencies, coordinated service delivery, and a changed perception among both the public and private sector customers working with GSA. The OIG, in its conduct of audits and investigations, has a particular role to play in assisting GSA with this transformation. The OIG mission provides

it with a unique capacity to evaluate the Agency operations with the purpose of systematically placing the results of those evaluations into the policy-making process of the organization.

### ***Anticipated Results***

This strategic goal anticipates that the changing focus of OIG operations will accelerate over the next 5 years resulting in a greater number of 1) proactive evaluations of GSA programs, its management structure, and its administrative systems; 2) a greater degree of cooperation with GSA management in identifying areas for in-depth review; 3) a greater number of recommendations accepted and implemented by GSA management; and 4) a substantial amount of savings resulting from this initiative.

OIG managers have identified a number of mission critical program areas and general administrative support issues, which should receive priority attention over the next 5 years.

Enhancing the availability and delivery of commercial products and services is mission critical to the Federal Supply Service for it to maintain its competitiveness and overall customer satisfaction. Methods of delivery, product mix, and management systems all influence the overall success of FSS. The OIG will work with FSS to enhance its current operations.

Increasing competitive pressures will force the Public Building Service to perform its asset management function in a less costly manner while producing "best value" for its customers. For example, GSA will be expected to meet or exceed commercial building practices. Federal clients will demand shortened time frames for lease execution while at the same time demanding quality space at reasonable prices. The OIG

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will undertake initiatives in this important GSA program to help enhance overall operating efficiencies, contribute to customer satisfaction, and to evaluate whether proper stewardship of resources exists and whether resources are being used in productive and efficient ways.

GSA can help customers realize increased operational efficiencies and better information management by improving its delivery of quality competitively priced information technology products, services and management information systems. Substantial savings and increased efficiencies can result from providing its internal and other Federal clients with the best, most effective technological equipment and systems available. With respect to Agency-wide information systems in particular, the OIG hopes to encourage GSA management to develop and implement procedures that produce a more integrated approach to management information, focusing on understanding long-term information requirements, eliminating redundancy, and improving the overall quality of information technology systems

The GSA's Office of Governmentwide Policy will play an increasingly important role in the Federal government's efforts to increase operational efficiency, further streamline processes, and adopt private sector practices. GSA has a responsibility to provide guidance, information, and coordination to make governmentwide administrative processes more efficient and effective by developing, identifying, and disseminating policies and best practices in information technology, asset management, travel and transportation, electronic commerce, and acquisition. The OIG will share its knowledge, expertise, and experience in these various areas to assist GSA in meeting its central management responsibilities.

During FY 2001, the OIG will devote approximately \$12.1 million of its requested resources to accomplish the planned outcomes related to this strategic goal.

### ***Anticipated 5-Year Outcomes***

1. FSS- Improved timeliness, enhanced delivery methods, and increased value to the customer while continuing to provide for the availability of commercial products and services to Federal clients.
2. PBS Asset Management – Promotion of responsible real property asset management through conserving Government resources and sound investment and the provision of high quality work environment for Federal clients.
3. FTS/Technology – Improved delivery, while maintaining competitive prices, of state-of-the-art products and services to meet the information technology, network, and telecommunications needs of its customers.
4. Management Information Systems - Increased program efficiency and security, and enhanced decision-making capabilities through better use of technology solutions, reliable program data, and performance measures that evaluate success.
5. Policy and Administration
  - a. GSA Internal – Improved management policies to ensure the best use of resources to enable GSA to become a high quality provider of supplies and services.
  - b. Government-wide policy – Strengthened guidance to lead to improved critical decision-making regarding information technology, real property, personal property, and acquisition.

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### **Strategic Goal No. 2**

Protect the integrity of GSA programs and operations by preventing, detecting and responding to waste and wrongdoing and by identifying and mitigating vulnerabilities, particularly those resulting from changes in the Agency's methods of doing business and from changing legal and administrative requirements.

### **Discussion**

One of the OIG's paramount responsibilities is combating and preventing waste and criminal and civil wrongdoing in GSA programs and operations. This initiative represents the OIG's commitment to develop programs and deploy resources so as to detect and prevent waste, fraud, and other wrongdoing in areas that we have determined to be most susceptible. While these have long been among the OIG's highest priorities, recent events have given them special importance.

Without questioning the benefit of introducing more efficient processes in the Federal government, OIG managers are also concerned that in some cases the introduction of less comprehensive oversight procedures may bring both decreased management attention to potential waste and fraud within their operations and an increased opportunity for individuals to engage in illegal and improper activities. As the evolving work environment, which calls for fewer supervisors, more decentralization of authority, and more empowerment of the individual, begins taking hold throughout GSA, the OIG emerges as the primary entity within GSA to assess the impact of this transformation. The OIG is concerned that many of the beneficial attributes of reforms designed to produce economy, efficiency, and increased effectiveness may be offset by new or modified practices that create unintended

waste and contribute to increased opportunities for fraud.

As part of a comprehensive initiative, the OIG will direct its efforts to protect the integrity of GSA operations by identifying and assessing vulnerabilities associated with the rapidly changing environment. By coordinating efforts throughout the organization the OIG, over the next 5 years, will focus its expertise in audits and investigations on those areas in which increased vulnerability to waste, fraud, or other wrongdoing may be anticipated. The net effect of this strategic goal is to identify vulnerabilities, increase the awareness of GSA managers regarding the prevention of fraud and waste, improve the detection of and response to corruption, and produce a decrease in the overall level of waste and wrongdoing experienced by GSA beyond that which would be expected if this initiative were not undertaken.

We will focus particular attention on identifying internal control weaknesses and other systemic problems that may emerge and on mitigating any unintended adverse side effects of implementing government reforms.

### **Anticipated Results**

The OIG foresees vulnerabilities emerging in several key areas of GSA operations. Changing external requirements will accelerate downsizing and reengineering efforts and will undoubtedly have a significant effect on operations. The net effect of current acquisition reforms will be to reduce oversight mechanisms and other safeguards built into the procurement process. The expectation is that reduced oversight will promote the evolution of a more cost-effective pricing mechanism -- an expectation based on the assumption that business practices remain fair and equitable. Yet past experience suggests that when the guard is down, government

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exposure to fraud and abuse may increase. The OIG will position itself to provide an effective response to changing practices that may impact GSA programs and operations.

Similarly, the dramatically escalating use of technology for the conduct of Agency business brings with it the potential for new kinds of fraud and other wrongdoing in virtually all areas of GSA operations on a level and of a type never before experienced by the Agency. Since technological advances are certain to transform most of the GSA management and administrative practices over the next 5 years, the OIG will have to develop the capacity to counter the emerging vulnerabilities in this area with sound programs and a technically accomplished staff.

In the area of Federal building construction, repair and alterations, and leasing activities, hundreds of millions of dollars may be increasingly vulnerable as internal oversight of these functions is reduced and increasing reliance is placed on private sector mechanisms to provide stewardship of Federal funds. The OIG will structure its oversight programs to address the new business environment.

As credit card use for government purchases becomes more commonplace, the need for Agency-wide oversight and controls has become increasingly evident. The savings associated with this vastly improved and efficient purchasing mechanism are directly related to the extent to which the use and accounting for credit card purchases are controlled and accountable. The OIG will place greater emphasis on systems control to ensure the overall safeguarding of government assets.

Finally, the OIG has a special responsibility to ensure that, in an era of rapid reform, the reform process itself does not prove to be dysfunctional, that reforms, both

administrative and legal, do not present unintended increased opportunities for individuals to engage in illegal and improper activities. We believe it is important to determine whether a reform or change initiative increases vulnerabilities and by doing so permit an evaluation of the costs vs. benefits of the reform and, if possible, amelioration of the new vulnerabilities.

During FY 2001, the OIG plans to devote approximately \$17.8 million of its requested resources to accomplish strategic goal #2.

### **Anticipated 5-Year Outcomes**

The OIG's activities (audit reports, management/consulting reviews, investigations, and other programmatic evaluations) will have an identifiable and positive impact on GSA's programs and operations in the following areas:

1. Commercial item acquisition – ensure programs, reforms and changing practices provide for the appropriate use of Federal funds.
2. Information systems and emerging technology – ensure that reasonable controls are in place to protect and support a secure Government information infrastructure.
3. Award and administration of outsourced GSA activities – establish and maintain effective controls to ensure contract integrity and performance in business partnerships.
4. Integrity of financial systems – ensure the adequacy of security and controls over receipts, payments, and other financial information, systems, and processes.

### **Strategic Goal No. 3**

Improve the delivery of the OIG work products.

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### **Discussion**

OIG managers believe that the performance of their own office should be held to the highest standards. While the OIG has made great strides in recent years in improving the administration of the office and the quality of the work, it is generally believed that greater efficiencies and further increases in productivity are needed. Continued reductions in the size of GSA suggest that OIG resources will at best remain stable, yet the responsibilities of the office continue to expand.

Moreover, OIG managers acknowledge that the skills required to address the emerging issues facing the office, particularly those required for our increasing efforts to evaluate the organization and work processes of the Agency, need to be enhanced.

This goal focuses on improving the efficiency and relevance of OIG products and includes a commitment to dramatically increase the timeliness and the utility of audits and investigations.

### **Anticipated Results**

The unprecedented changes of recent years and the challenges that lie immediately ahead require continuing the fundamental transformation in the OIG's work products, its relationship with GSA, and in its own view of success. The strategic goals described above position the OIG not as an adversary of GSA management, but in partnership with it in meeting the responsibilities of Federal governance.

The OIG strategy consists of three distinct approaches. Internally, the OIG management will continue to emphasize the development of non-traditional approaches to its work. Audit resources will increasingly be concentrated on program reviews and

other evaluative processes, while investigations will be more proactive, targeting areas of emerging vulnerabilities. This will require extensive specialized training.

At the same time, the OIG's traditional work product must be made more efficient and responsive to Agency and customer needs. The improvements in timeliness and operating efficiency envisioned both by the audit and investigative components of the office will require reassessing all existing approaches, including the analytical, investigative, and reporting techniques, as well as improved management and customer coordination efforts.

Finally, the OIG is committed to more effective "marketing" of its products and services. Although changing perceptions is necessarily a long-term process, a dedicated effort to enhance communications may also pay near-term dividends. The OIG has identified many GSA outcomes as its outcome goals. This underscores the extent to which the OIG success is critically connected to its ability to help GSA be successful. Developing a common understanding that these are shared goals is a key element in achieving success for both the OIG and GSA.

### **Administrative Strategies**

Several critical administrative activities must be performed if the OIG is going to improve the delivery of its products, identify opportunities to improve GSA operations and programs, and protect the integrity of those programs. These administrative activities include providing our audit and investigations staffs with state-of-the-art information systems, ensuring access to both internal GSA and other government and private information sources, and ensuring we have sufficient properly trained personnel to accomplish our mission.

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In addition, we will be implementing such management actions as realigning and relocating staff to geographic locations to match planned and projected workload. We will consider, where possible, increasing the use of various workplace initiatives, such as telecommuting, work-at-home, etc., which may increase the efficiency and effectiveness of our workforce.

Strategy #1 - Operate, maintain, and upgrade computer resources to provide OIG components with the IT tools needed to perform their missions and with an integrated Management Information System. This will:

Enhance OIG components' ability to develop, coordinate and exchange program and operational information within the OIG and between the OIG, GSA, and external sources to properly execute their audit and investigative responsibilities; and

Provide OIG components with the budgetary, financial, procurement, and personnel data to properly manage their resources.

Strategy #2 - Improve OIG components' ability to deliver work products by providing a full complement of timely administrative and human resource services.

## **Administrative Strategy Results**

By fulfilling our stated strategies in supporting the OIG, we expect to:

1. Furnish real-time fiscal information to manage allocated funds.
2. Offer a comprehensive information system support to all OIG personnel as an aid to assist them in accomplishing their operational and reporting responsibilities.
3. Make available a full range of training and educational support to assist staff in

professional development and in meeting their unique professional requirements.

4. Provide a full range of human resource support so that OIG management can meet its personnel needs.

During FY 2001, the OIG will devote approximately \$3.9 million of its resources to accomplish this strategic goal.

Following are selected charts from the OIG's Performance Plan which detail the performance measures for each strategic goal.

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**OIG Strategic Goal #1: Identify opportunities for increased economy and efficiency in Agency operations; assist management by identifying, recommending, and developing appropriate management improvements; and ensure that GSA programs provide optimum value for the taxpayers.**

## **Performance Plan: Outcome Measures**

*Notes:* In general, focused activities and outputs from the Office of Audits will directly support the outcomes shown below for Strategic Goal #1. *Performance Indicator Key:* The percentages shown for each outcome reflect the proportion of OIG products (audit reports, consulting/management assistance reviews, and other programmatic evaluations) in the specified area that had an identifiable positive impact on improving Agency performance.

		<b>Performance Indicators</b>					
<b>Type of Measure</b>	<b>Performance Measure</b>	<b>ACTUAL FY 1999</b>	<b>FY 2000</b>	<b>FY 2001</b>	<b>FY 2002</b>	<b>FY 2003</b>	<b>FY 2004</b>
<i>Outcome</i>	1. <u>Federal Supply Service</u> ▪ Timely delivery ▪ Optimum value	73%	60%	65%	65%	70%	70%
	2. <u>PBS Asset Management</u> ▪ Stewardship ▪ Sound investment ▪ Customer satisfaction	N/A	60%	65%	65%	70%	70%
	3. <u>FTS/Technology</u> ▪ Timely delivery ▪ Optimum value	N/A	55%	55%	60%	60%	65%
	4. <u>Management Information Systems</u> ▪ Program efficiency ▪ Data reliability ▪ Customer satisfaction ▪ Performance measures	100% *	60% *	65%	65%	70%	70%
	5. <u>Policy and Administration</u> ▪ Program efficiency	N/A	50%	55%	60%	65%	70%

\*N/A – No reportable data for the period.

\*Performance goals based on FY 2000 budget submission. These goals will be adjusted as part of overall revision to our strategic plan.

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**OIG Strategic Goal #1: Identify opportunities for increased economy and efficiency in Agency operations; assist management by identifying, recommending, and developing appropriate management improvements; and ensure that GSA programs provide optimum value for the taxpayers.**

## **Performance Plan: Output Measures**

Notes: The output measures for the Office of Audits remain relatively constant over the next several years, however, their makeup reflects the impact of changes to procurement laws and regulations as well as OIG management's decision to redirect audit program emphasis. Compared to previous years, lower avoidance and recovery dollar amounts reflect (1) the impact of the changes in the regulations affecting GSA's commercial item procurements resulting from the implementation of Federal acquisition reform legislation, for example the elimination of regular post-award audit access, and (2) GSA's decision to move to longer term contracting in the Multiple Award Schedule program. Because of these changes there will be fewer contracts subject to audit. The measures also reflect OIG management's decision to allocate greater audit resources to major programmatic, control, systems, and consulting efforts, which are aimed at helping GSA management achieve more positive outcomes in their operations. While these types of reviews require significantly more resources, and their immediate impact is not always quantifiable, their long-term benefits offer the potential for significant improvements in Agency performance and benefits to customers and taxpayers. Results from these audit efforts are better reflected in our outcome measures.

		Performance Indicators					
Type of Measure	Performance Measure	ACTUAL FY 1999	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004
Output Audit	<u>OIG Audit Reports</u>						
	Total reports	196	246	254	259	258	258
	Avoidances & recoveries	\$376M	\$146M	\$147M	\$148M	\$148M	\$148M
	Management decisions	\$430M	\$146M	\$147M	\$148M	\$148M	\$143M
	Internal audit reports	83	76	77	78	77	77
	Contract audit reports	113	170	177	181	181	181



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**OIG Strategic Goal #1: Identify opportunities for increased economy and efficiency in Agency operations; assist management by identifying, recommending, and developing appropriate management improvements; and ensure that GSA programs provide optimum value for the taxpayers.**

<b><u>Performance Plan: Input Measures</u></b>							
<b>Measure</b>	<b>Activity</b>	<b>ACTUAL FY 1999</b>	<b>FY 2000</b>	<b>FY 2001</b>	<b>FY 2002</b>	<b>FY 2003</b>	<b>FY 2004</b>
<i>Allocation of effort</i>  Audit	<b><u>External</u></b> Cost/Price Pre-Award MAS Post MAS Claims	30%	25%	25%	25%	25%	25%
	<b><u>Internal</u></b> Consulting Program Control Regulatory Preventive Regional Plans ADP Systems Advisory	70%	75%	75%	75%	75%	75%

## General Services Administration OFFICE OF INSPECTOR GENERAL

***OIG Strategic Goal #2: Protect the integrity of GSA programs and operations by preventing, detecting, and responding to waste and wrongdoing and by identifying and mitigating vulnerabilities, particularly those resulting from changes in the agency's methods of doing business and from changing legal and administrative requirements.***

### **Performance Plan: Outcome Measures**

Notes: The combined efforts of the Office of Audits and the Office of Investigations will be directed towards the achievement of the outcomes listed under Strategic Goal #2.

Performance Indicator Key: The percentages shown for each outcome reflect the proportion of OIG products (audit reports, consulting/management assistance reviews, investigations, and other programmatic evaluations) in the specified area that had an identifiable positive impact on improving Agency performance.

		Performance Indicators					
Type of Measure	Performance Measure	ACTUAL FY 1999	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004
Outcome	1. Commercial Item Acquisition						
	▪ Internal control	89%	55%	55%	60%	60%	60%
	▪ Integrity	100%	95%	95%	95%	95%	95%
	2. Information Systems/Emerging Technology						
	▪ Internal control	0%	50%	50%	55%	55%	60%
	▪ Integrity	100%	95%	95%	95%	95%	95%
	3. Award and Administration of Outsourced GSA Activities						
	▪ Internal control	N/A*	50%	55%	55%	60%	60%
	▪ Integrity	100%	95%	95%	95%	95%	95%
	4. Financial Systems						
	▪ Internal control	N/A*	50%	55%	55%	60%	60%
	▪ Integrity	100%	95%	95%	95%	95%	95%

\*N/A – No reportable data for the period

## General Services Administration OFFICE OF INSPECTOR GENERAL

***OIG Strategic Goal #2: Protect the integrity of GSA programs and operations by preventing, detecting, and responding to waste and wrongdoing and by identifying and mitigating vulnerabilities, particularly those resulting from changes in the agency's methods of doing business and from changing legal and administrative requirements.***

### **Performance Plan: Output Measures**

*Notes:* The output measures listed below for the Office Investigations reflect the projected accomplishments of investigative effort in support of the efficiency, effectiveness, and integrity of GSA's mission.

<b>Performance Indicators</b>						
<b>Performance Measure</b>	<b>ACTUAL FY 1999</b>	<b>FY 2000</b>	<b>FY 2001</b>	<b>FY 2002</b>	<b>FY 2003</b>	<b>FY 2004</b>
No. of Criminal Referrals	103	102	102	102	102	102
No. of Civil Referrals	28	21	21	21	21	21
No. of Admin. Referrals	319	258	258	258	258	258
Civil Settlements	7	12	12	12	12	12
Indictments/Informations	16	36	36	36	36	36
Successful Criminal Prosecutions	16	34	34	34	34	34
Contractors Suspended/ Debarred	57	93	93	93	93	93
Investigative Recoveries	\$5.260M	\$4.500M	\$4.500M	\$4.500M	\$4.500M	\$4.500M

# General Services Administration OFFICE OF INSPECTOR GENERAL

**OIG Strategic Goal #3:** *Improve the delivery of the OIG work products.*

## **Performance Plan: Outcome Measures**

*Notes:* The outcome measures listed below are an attempt to strategically align the OIG internal activities to support the changing work product. Activities are evaluated against a “standard” that reflects “expected average performance.” If a performance standard for completion of a report is listed as 4.0, it means that an average report assigned to the office will have customer service measures of at least a 4.0. This standard is monitored by assigning a target that measures the extent to which the office is meeting the standard. If the target is 80 percent that means that 80 percent of the office reports will have customer service ratings of at least 4.0. It should be noted that, since performance standards represent an estimated or actual “average,” effective and realistic targets should be in the 75 - 90 percent range.

		Performance Indicators							
Type of Measure	Performance Measure	Performance Standard	5 year Target	ACTUAL FY 1999	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004
Outcome Audit	Effectiveness - Customer Surveys	Scale: 1 - 5 (5 high)							
	▪ Meets customer needs	4.0	90%	96%	80%	85%	90%	90%	90%
	▪ Cust. understanding	4.0	90%	92%	80%	85%	90%	90%	90%
	▪ Relevancy	4.0	85%	94%	80%	85%	85%	85%	85%
	▪ Perception/Timeliness	4.0	85%	88%	70%	80%	85%	85%	85%
	▪ Value added	4.0	90%	91%	80%	85%	90%	90%	90%

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**OIG Strategic Goal #3:** *Improve the delivery of the OIG work products.*

### **Performance Plan: Outcome Measures (Continued)**

Notes: The outcome measures listed below are an attempt to strategically align the OIG internal activities to support the changing work product. Activities are evaluated against a “standard” that reflects “expected average performance.” If a performance standard for completion of a report is listed as 30 days, it means that an average report assigned to the office will be completed within 30 days. This standard is monitored by assigning a target that measures the extent to which the office is meeting the standard. If the target is 75 percent that means that 75 percent of the office reports will be completed within 30 days. It should be noted that, since performance standards represent an estimated or actual “average,” effective and realistic targets should be in the 70 - 85 percent range.

Of the activities listed, the following are noteworthy:

- Nearly all of the performance targets for the Office of Audits reflect a dramatic increase in efficiency, especially important considering the increased complexity of their work product and the reduction in resources;
- The Office of Investigations has established a standard that reflects a dramatic improvement in the time frame within which they will conduct nearly all of their activities; and
- The Office of Administration, Internal Evaluation Staff, and Office of Counsel to the IG applied standards so as to reflect the need to improve performance in specific targeted areas.

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**OIG Strategic Goal #3: Improve the delivery of the OIG work products.**

Performance Plan: Outcome Measures (Continued)										
		Performance Indicators								
Type of Measure	Performance Measure	Performance Standard	5 year Target	ACTUAL FY 1999	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	
Outcome Audit	External	Efficiency – Timeliness								
		▪ Cost/Price	30 days	60%	31%	45%	45%	50%	55%	60%
		▪ Pre-award MAS	30 days	65%	25%	65%	65%	65%	65%	65%
		▪ Post-award MAS	270 days	65%	75%	65%	65%	65%	65%	65%
	Internal	▪ Claims	80 days	65%	50%	60%	60%	60%	65%	65%
		▪ Program review	320 days	65%	55%	65%	65%	65%	65%	65%
		▪ Management control	180 days	60%	45%	45%	45%	50%	55%	60%
		▪ Regulatory	180 days	85%	40%	85%	85%	85%	85%	85%
		▪ Preventative	180 days	60%	55%	50%	50%	55%	55%	60%
		▪ Regional plans	180 days	65%	59%	65%	65%	65%	65%	65%
		▪ Regional plan-major	180 days	60%	N/A	50%	55%	55%	60%	60%
		▪ Advisory	180 days	60%	0%	60%	60%	60%	60%	60%
		▪ Consulting	60 days	60%	0%	60%	60%	60%	60%	60%
		▪ Systems	320 days	65%	60%	65%	65%	65%	65%	65%
Audit External	Efficiency – Hours/Task									
	▪ Cost/Price	160 hrs	75%	43%	70%	70%	70%	75%	75%	
	▪ Claims	380 hrs	75%	57%	70%	70%	70%	75%	75%	
	▪ Pre-award MAS	160 hrs	60%	38%	60%	60%	60%	60%	60%	
	▪ Post-award MAS	600 hrs	85%	63%	70%	70%	70%	70%	70%	

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**OIG Strategic Goal #3: Improve the delivery of the OIG work products.**

<b><u>Performance Plan: Outcome Measures (Continued)</u></b>									
		<b>Performance Indicators</b>							
<b>Type of Measure</b>	<b>Performance Measure</b>	<b>Performance Standard</b>	<b>5 year Target</b>	<b>ACTUAL FY 1999</b>	<b>FY 2000</b>	<b>FY 2001</b>	<b>FY 2002</b>	<b>FY 2003</b>	<b>FY 2004</b>
<i>Outcome Audit Internal</i>	Efficiency – Hours/Task (Cont.)								
	▪ Program review	5,000 hrs	70%	73%	65%	65%	65%	70%	70%
	▪ Management control	1,800 hrs	65%	27%	60%	60%	65%	65%	65%
	▪ Regulatory	600 hrs	70%	40%	60%	65%	65%	70%	70%
	▪ Preventative	850 hrs	65%	73%	65%	65%	65%	65%	65%
	▪ Regional plans	850 hrs	60%	59%	60%	60%	60%	60%	60%
	▪ Regional plan-major	1,800 hrs	60%	N/A	50%	50%	55%	55%	60%
	▪ Advisory	2,000 hrs	65%	0%	60%	60%	60%	65%	65%
	▪ Consulting	640 hrs	65%	100%	60%	60%	60%	65%	65%
	▪ Systems	5,000 hrs	65%	20%	60%	60%	65%	65%	65%
<i>Invest.</i>	<u>Class I</u>								
	▪ Fraud/Crimes	540 days	75%	95%	65%	70%	75%	75%	75%
	▪ Debarment/Suspension	60 days	90%	83%	70%	80%	90%	90%	90%
	▪ Administrative	180 days	85%	60%	70%	80%	85%	85%	85%
	<u>Class II</u>								
	▪ Fraud/Crimes	270 days	75%	81%	65%	70%	75%	75%	75%
	▪ Debarment/Suspension	45 days	90%	67%	70%	80%	90%	90%	90%
	▪ Administrative	90 days	85%	86%	70%	80%	85%	85%	85%

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**OIG Strategic Goal #3: Improve the delivery of the OIG work products.**

<b><u>Performance Plan: Outcome Measures (Continued)</u></b>									
		<b>Performance Indicators</b>							
<b>Type of Measure/ Office</b>	<b>Performance Measure</b>	<b>Performance Standard</b>	<b>5 year Target</b>	<b>ACTUAL FY 1999</b>	<b>FY 2000</b>	<b>FY 2001</b>	<b>FY 2002</b>	<b>FY 2003</b>	<b>FY 2004</b>
Counsel	Audit Reviews	120 days	90%	100%	80%	80%	85%	90%	90%
	FOIA/PA Requests	30 days	90%	82%	70%	80%	90%	90%	90%
Evaluation	Field Office Appraisals	60 days	75%	67%	65%	70%	75%	75%	75%
Admin.	System Availability	365 days	98%	95%	96%	97%	98%	98%	98%
	Provide Information	5 days	94%	92%	92%	94%	94%	94%	94%
	Resources								
	Customer Satisfaction Scale: 1 - 5 (5 high)	4.5	4.5	4.2	4.3	4.4	4.5	4.5	4.5
Financial	Budget Reports	12 days	99%	90%	95%	99%	99%	99%	99%
	App. Funds Reports	5 days	99%	90%	95%	99%	99%	99%	99%
	No. Year Fund Reports	5 days	99%	90%	95%	99%	99%	99%	99%
	Administrative Reports	30 days	100%	95%	100%	100%	100%	100%	100%
Procurement	Credit Card	30 days	98%	97%	98%	98%	98%	98%	98%
	Procurement	30 days	98%	96%	97%	98%	98%	98%	98%
	Resource Transaction	30 days	98%	96%	97%	98%	98%	98%	98%
Human Resources	Personnel Actions	30 days	90%	80%	85%	90%	90%	90%	90%
	General Services	30 days	90%	80%	85%	90%	90%	90%	90%



# General Services Administration OFFICE OF INSPECTOR GENERAL

*Allocation of OIG resources to accomplish strategic goals.*

<b><u>Performance Plan: Allocation of OIG Resources</u></b>													
		<b>Performance Indicators (in thousands)</b>											
<b>Input Measure</b>	<b>Organization</b>	<b>FY 1999</b>		<b>FY 2000</b>		<b>FY 2001</b>		<b>FY 2002</b>		<b>FY 2003</b>		<b>FY 2004</b>	
		<b>\$</b>	<b>%</b>	<b>\$</b>	<b>%</b>	<b>\$</b>	<b>%</b>	<b>\$</b>	<b>%</b>	<b>\$</b>	<b>%</b>	<b>\$</b>	<b>%</b>
\$	OIG	31,730	100%	33,317	100%	34,520	100%	34,520	100%	34,520	100%	34,520	100%
	Audits	18,090	57%	20,490	61.5%	21,230	61.5%	21,230	61.5%	21,230	61.5%	21,230	61.5%
	Investigations	8,485	27%	8,329	25%	8,630	25%	8,630	25%	8,630	25%	8,630	25%
	Administration	3,235	10%	2,665	8%	2,762	8%	2,762	8%	2,762	8%	2,762	8%
	Counsel	920	3%	833	2.5%	863	2.5%	863	2.5%	863	2.5%	863	2.5%
	IG Office/Eval.	1,000	3%	1,000	3.0%	1,035	3.0%	1,035	3.0%	1,035	3.0%	1,035	3.0%

# General Services Administration

## EXPENSES OF TRANSPORTATION AUDIT CONTRACTS AND CONTRACT ADMINISTRATION

---

\$(Thousands)

	<b>FY 1999 Actual</b>	<b>FY 2000 Current</b>	<b>FY 2001 Request</b>	<b>FY 2001/00 Change</b>
Audit Contracts	3,433	5,060	5,166	+106
Contract Administration/ Operating Expenses	7,069	7,304	7,551	+247
<b>Total Obligations</b>	<b>10,502</b>	<b>12,364</b>	<b>12,717</b>	<b>+353</b>
Value of Current Receipts	12,900	13,500	13,000	-500
<b>Outlays</b>	<b>9,464</b>	<b>12,364</b>	<b>12,717</b>	<b>+353</b>
<b>Employment (FTE)</b>	<b>66</b>	<b>67</b>	<b>67</b>	<b>0</b>

### MISSION

The Expenses of Transportation Audit Contracts and Contract Administration account was established to fund the auditing of transportation carrier billings furnished to the Government on a postpayment basis and to detect and subsequently recover carrier overcharges. This activity was transferred from the General Accounting Office to GSA in 1975. This account is a permanent, indefinite appropriation which does not require annual Congressional action.

### THE BUDGET IN SUMMARY

Expenses are financed from overcharges collected from carriers on transportation bills paid by the Government and other similar types of refunds. Until 1986, Federal agencies were required to pay carrier invoices upon

receipt, prior to audit by GSA. Public Law 99-627 of November 7, 1986, altered the

process significantly, by allowing GSA to conduct prepayment audits and delegate this authority to agencies upon their request.

The passage of the Travel and Transportation Act of 1998 made the prepayment audit of transportation bills mandatory. The Act will be fully implemented by fiscal year 2000.

A management plan has been formulated for the transportation audit program, emphasizing prepayment audit benefits. Since potential overcharges will be discovered prior to payment, an agency will retain the funds for other transportation activities. In the past, overcharges identified by postpayment audits were returned to the U. S. Treasury.

# General Services Administration

## EXPENSES OF TRANSPORTATION AUDIT CONTRACTS AND CONTRACT ADMINISTRATION

---

This management plan also includes postpayment initiatives to reduce costs, which should enable remaining postpayment audit collections to fully fund this activity.

Although the new prepayment audit law will take effect in April 2000, considerable postpayment audit activity will continue throughout fiscal year 2000 and into fiscal year 2001. For some modes of transportation there is a 12-to-18 month backlog of bills to be audited. Moreover, postpayment audits will need to augment prepayment audits during the transition period following implementation

and will perform a quality control function. Further, the Audit Division remains the central repository of the agencies' transportation documentation and maintains the comprehensive tariff and tender library required for the audit and legal actions. As stated in the law, certain transactions (such as those for charge cards), as well as certain organizations throughout the Government, may be given waivers by GSA's Office of Governmentwide Policy of the prepayment audit requirement (in favor of continued postpayment audit) for reasons of practicality.

Explanation of Budget Changes \$(Thousands)	
<b>FY 2000 Current Level.....</b>	12,364
Pay Raise, January, 2001.....	+180
Inflation.....	<u>+173</u>
<b>FY 2001 Budget Request.....</b>	12,717

**General Services Administration**  
**EXPENSES OF TRANSPORTATION AUDIT CONTRACTS AND CONTRACT**  
**ADMINISTRATION**

---

Obligations by Object Class \$(Thousands)				
		FY 1999 Actual	FY 2000 Current	FY 2001 Request
11.1	Full-time permanent	3,333	3,475	3,622
11.3	Other than full-time permanent	88	99	103
11.5	Other personnel compensation	122	71	74
11.9	Total personnel compensation	3,543	3,645	3,799
12.1	Civilian personnel benefits	594	600	626
21.0	Travel and transportation of persons	34	88	90
22.0	Transportation of things	2	1	1
23.1	Rental payments to GSA	148	148	151
23.3	Communications, utilities, and misc. charges	64	18	18
24.0	Printing and reproduction	38	17	17
25.2	Other Services	3,658	5,285	5,396
25.3	Purchases of goods/services from Gov't accts	2,134	2,448	2,502
26.0	Supplies and materials	91	85	87
31.0	Equipment	196	29	30
Total Obligations		10,502	12,364	12,717

# General Services Administration

## EXPENSES OF TRANSPORTATION AUDIT CONTRACTS AND CONTRACT ADMINISTRATION

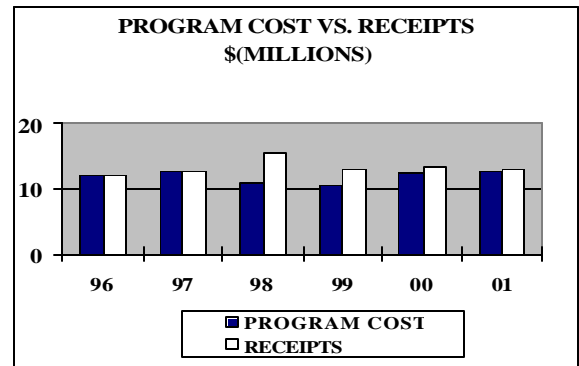
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### PERFORMANCE MEASURE

Following is a graph which compares the annual cost of administering the Transportation Audit Contracts Program to the annual net receipt collections from overcharges collected. The collections of overcharges are used as the Program's financing source.

Collection initiatives were implemented in fiscal year 1996 that have increased collections and enabled the program to be fully self-sustaining on an annual basis.

The value of receipts displayed represents the total actual/estimated overcharge amounts collected and does not include any actual or estimated transfers to the U.S. Treasury.



## General Services Administration

### EXPENSES, DISPOSAL

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#### MISSION

Expenses, Disposal of Surplus Real and Related Personal Property is a permanent, indefinite appropriation authorized by section 204(b) of the Federal Property and Administrative Services Act (FPAS) of 1949, as amended. This section was added by P.L. 83-760 (40 U.S.C. 485(b)) of August 31, 1954. The account finances

contractual services of appraisers, auctioneers, and brokers familiar with local markets to accelerate the utilization or sale of surplus real property under the Policy and Operations Account. It also covers the costs of surveying, advertising, and environmental and historical services. Financing is provided from receipts from sales of surplus property and outleasing of Government-owned space.

EXPENSES, DISPOSAL \$(Thousands)				
	FY 1999 Estimate	FY 2000 Current	FY 2001 Request	FY 01/00 Change
<b>Direct Program:</b>				
Disposal - Real Property	\$3,812	\$5,485	\$7,266	+1,781
Outleasing - Government-owned Space	26	515	515	
<b>Total (Budget Authority)</b>	<b>\$3,838</b>	<b>\$6,000</b>	<b>\$7,781</b>	<b>+ 1,781</b>
<b>Reimbursable Program:</b>				
Disposal - Real Property	\$166	\$600	\$600	\$0
<b>Total (Reimbursable)</b>	<b>\$166</b>	<b>\$600</b>	<b>\$600</b>	<b>\$0</b>
<b>Net Outlays Employment (FTE)</b>	<b>\$4,173 0</b>	<b>\$5,880 0</b>	<b>\$7,625 0</b>	<b>+ \$1,745 0</b>

#### THE BUDGET IN SUMMARY

This appropriation provides for contractual services and supplements in-house real property disposal activities and improved space utilization through outleasing of surplus Government-owned space. This is a

permanent, indefinite appropriation which requires no further Congressional action. An additional \$1,500 thousand is projected in FY 2001 to do environmental services for FPAS Act of 1949 properties and \$281 thousand for increased advertising expenses.

## General Services Administration

### EXPENSES, DISPOSAL

---

EXPENSES, DISPOSAL - DIRECT Explanation of Budget Changes \$(Thousands)	
<b>FY 2000 Current</b>	<b>\$6,000</b>
Environmental Services	+ 1,500
Advertising	+ 281
<b>FY 2001 Budget Request</b>	<b>\$ 7,781</b>

EXPENSES, DISPOSAL – REIMBURSABLE Explanation of Budget Changes \$(Thousands)	
<b>FY 2000 Current</b>	<b>\$600</b>
(no change)	\$0
<b>FY 2001 Budget Request</b>	<b>\$600</b>

## General Services Administration

### EXPENSES, DISPOSAL

EXPENSES, DISPOSAL - DIRECT Obligation by Object Class \$(Thousands)			
	FY 1999 Actual	FY 2000 Current	FY 2001 Request
24.0 Printing and reproduction	\$220	\$300	\$350
25.2 Other services	3,618	5,700	7,431
<b>Total Obligations</b>	<b>\$3,838</b>	<b>\$6,000</b>	<b>\$7,781</b>

EXPENSES, DISPOSAL – DIRECT Obligation by Program Activity \$(Thousands)			
	FY 1999 Actual	FY 2000 Current	FY 2001 Request
<b>Disposal - Real Property:</b>			
a. Appraisers, auctioneers, brokers fees and surveying	\$915	\$790	\$790
b. Advertising	1,436	1,010	1,291
c. Environmental services	1,461	3,585	5,085
d. Historical preservation services	0	100	100
<b>Outleasing - Government-owned Space:</b>			
a. Appraisers, auctioneers, brokers fees, surveying and advertising	26	515	515
<b>Total Obligations</b>	<b>\$3,838</b>	<b>\$6,000</b>	<b>\$7,781</b>



## General Services Administration

### EXPENSES, DISPOSAL

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EXPENSES, DISPOSAL - REIMBURSABLE Obligation by Object Class \$(Thousands)			
	FY 1999 Estimate	FY 2000 Current	FY 2001 Request
24.0 Printing and reproduction	\$15	\$80	\$80
25.2 Other services	151	520	520
<b>Total Obligations</b>	<b>\$166</b>	<b>\$600</b>	<b>\$600</b>

EXPENSES, DISPOSAL - REIMBURSABLE Obligation by Program Activity \$(Thousands)			
	FY 1999 Estimate	FY 2000 Current	FY 2001 Request
<b>Disposal - Real Property:</b>			
a. Appraisers, auctioneers, brokers fees, surveying and environmental services	\$115	\$500	\$500
b. Advertising	51	100	100
<b>Total Obligations</b>	<b>\$166</b>	<b>\$600</b>	<b>\$600</b>

**Public Buildings Service  
FY 2001 Congressional Justification Budget Submission**

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# **General Services Administration**

## **PUBLIC BUILDINGS SERVICE**

### **FEDERAL BUILDINGS FUND**

---

#### **Introduction**

The FY 2001 Federal Buildings Fund (FBF) request is built on private sector and internal benchmarks where possible, and a set of performance measures that support the Public Buildings Service (PBS) Performance Plan.

It reflects revenue enhancements and cost savings that generate net income from operations sufficient to pursue a capital program at a level necessary to maintain our real property portfolio.

Since net income from operations is generated primarily from our owned inventory, our goal is to maximize the capability of the owned assets to produce needed capital funding.

There are certain important requirements, such as the Courts construction program and other initiatives that exceed the funding capacity of the FBF. GSA requires \$681,871 thousand in direct appropriation to the FBF for these requirements.

This budget is organized in the following sections:

1. Budget Overview - sets forth the mission of PBS and describes the diverse services we provide, the scope of our major programs, and the environment in which we operate. It sets forth the sources and proposed uses of funds for this budget, and describes the revenue projection methodology.

2. Explanation of Estimates - contains detailed information, by Budget Activity, which sets forth the rationale for our budget request. Supporting budget exhibits are contained in this section. The material is organized by the following budget activities:

- Construction and Acquisition of Facilities
- Repairs and Alterations
- Installment Acquisition Payments
- Rental of Space
- Building Operations
- Reimbursable

#### **Linking Performance Goals to the Budget**

PBS has built a network of management information systems, data collection and analytical tools, empowered employees, benchmarked initiatives, and targeted incentives. This infrastructure is a key factor in our ability to formulate a credible, fiscal year 2001 budget. Use of this infrastructure is best exemplified in the Building Operations portion of the budget where we established performance indicators with private sector benchmark targets. Private sector benchmarks are also used in scoping and estimating capital project costs.

# General Services Administration PUBLIC BUILDINGS SERVICE FEDERAL BUILDINGS FUND

## Budget Overview

The PBS mission is to improve the effectiveness of the Federal Government by ensuring quality work environments for its employees. In support of our mission, we provide high-quality real property, asset management, workplace support, acquisition, facility security, and disposal services in a timely and cost effective manner.

PBS provides workspace for approximately one million Federal employees nationwide and controls 40 percent of the Federal Government's owned and leased office space. (See Figure 1). PBS' inventory also includes a variety of special use facilities such as courthouses, laboratories, border stations, and warehouses. This overall inventory now totals 339,804 thousand rentable square feet of space, making PBS the largest provider of office space services in the nation.

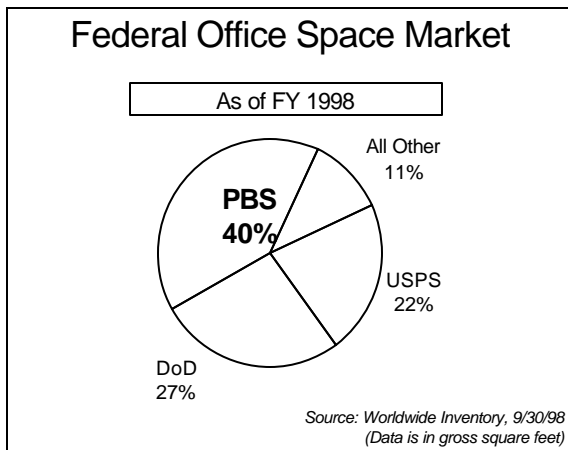


Figure 1

As a service agency, we are changing to better serve our Federal agency customers. This means looking and acting like a private sector real estate firm. Our vision is to be recognized as

the best public real estate organization in the world. This vision requires us to continually improve internally and, just as importantly, improve how we are perceived by the agencies we serve. Our major customers are identified in Figure 2.

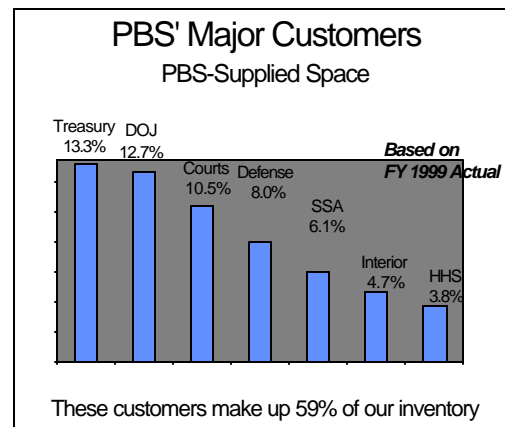


Figure 2

See Building Operations Program Figure 10 for customer satisfaction scores.

## Customer Focus

Today's business climate dictates that we anticipate customer needs and respond with products and services competitive in quality and price with our private sector counterparts. Our goal is for the Federal Government to universally recognize the PBS "brand" as synonymous with "unbeatable, affordable quality."

We made substantial progress in the past year in refining our performance goals, developing quantifiable performance measures, and developing a results-oriented management structure. Our organization, incentives, and information systems are designed to inform our executives, managers, and employees of progress made in achieving goals and measures. The

# General Services Administration

## PUBLIC BUILDINGS SERVICE

### FEDERAL BUILDINGS FUND

---

effectiveness of our results-oriented management structure provides a solid basis to develop the fiscal year 2001 budget request.

#### Sources and Uses of Funds

This budget requests \$6,256,026 thousand in New Obligational Authority (NOA). Revenues from client agencies fund 89% of NOA and 11% of NOA is funded from appropriations.

The following chart (Figure 3) illustrates the sources and uses proposed for fiscal year 2001.

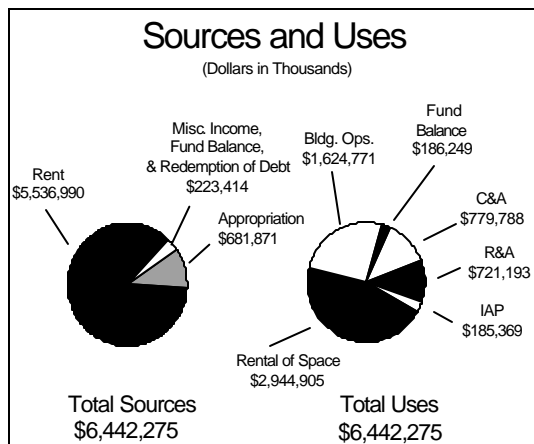


Figure 3

Included in the \$6,256,026 thousand in NOA is a request for a direct appropriation in the amount of \$681,871 thousand for the following programs:

- \$672,703 thousand for construction projects
  - Courts (\$488,464 thousand)
  - Other Projects (\$184,239 thousand)
- \$9,168 thousand to fund the annual amortized amount of the FCC's

move to Portals II located in Washington, DC.

#### Rent

Our major source of revenue is the rent we collect from the customers we house. The rent estimate includes known adjustments for planned and actual inventory changes from October 1998 to September 2001. For leased space, we align inventory changes consistent with planned changes in the Rental of Space activity. For owned space, we project inventory changes using construction schedules.

Beginning with the October 1999 bill (the first rent bill in fiscal year 2000) GSA has applied rates under the Rent Pricing policy described below. The Rent Pricing Policy affects everything except owned inventory located in Washington, DC in fiscal year 2000.

#### Rent Pricing Policy

The fiscal year 2001 Rent Budget Estimate for space and related services reflects a market-based pricing strategy. The base rental rates for Government-owned space are set by appraisal. Tenant improvements are amortized over the life of the occupancy agreement, or as otherwise agreed to by PBS and the tenant. Security charges are based on the actual cost of services and are adjusted annually.

The Rent PBS charges its tenants for leased space is a pass-through of GSA payments to the lessor of the direct costs PBS incurs, plus a GSA management fee. The customer rent bill is itemized to separately reflect a shell rate, operating expenses, real estate taxes, amortization of tenant improvements, and a fee which covers

# **General Services Administration**

## **PUBLIC BUILDINGS SERVICE**

### **FEDERAL BUILDINGS FUND**

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PBS' cost of acquiring and administering the lease for the tenant.

#### **Full Time Equivalent (FTE)**

This budget reflects a FTE workyear level of 7,287 – the same as fiscal year 2000. This allows us to continue to staff the protection activity at 1,423 FTE (1,408 direct and 15 reimbursable) as recommended by the Department of Justice's "Vulnerability Assessment of Federal Facilities" report. The FTE workyear level has remained at a stable level for several years.

#### **Inventory**

The owned and leased inventories controlled by PBS are projected to expand by 1.7 percent, 5,732 thousand square feet, between fiscal year 2000 and fiscal year 2001. This expansion is in response to the specific needs of our tenant agencies. The 0.8 percent expansion of our owned space, 1,571 thousand square feet, between fiscal year 2000 and fiscal year 2001 results from the completion of construction or modernization projects for our courthouses, border stations, and two Environmental Protection Agency laboratories. While some tenants are expanding, a number of other agency tenants are consolidating their operations or have had staff reductions.

In addition, PBS is working to reduce vacancy in owned space by about 1,803 thousand square feet in fiscal year 2001 by back-filling owned space with tenants from expiring leases, or by disposing of properties that are no longer needed. We project our leased inventory will continue to grow, driven notably by space requirements of the Immigration and Naturalization Service and the

Federal Bureau of Investigations. However, based on agency demands and lease expirations, we plan to reduce the vacant available leased space by approximately 233 thousand square feet in fiscal year 2001.

PBS is undergoing an information technology systems change. As we move to our new information system, we are cleaning up old data in the process. We are also now reporting space inventory statistics in rentable square feet instead of occupiable square feet. We are confident that our new information system will provide us with more accurate and valuable data to help us make business decisions.

Our inventory changes are reflected in Exhibit 5 - Summary of Total Inventory and Exhibit 6 - Summary of Space Assigned.

#### **Border Stations**

The FY 2001 request will fund construction of 3 border stations and design of 4 border stations for future construction.

PBS owns and operates 101 border Stations along U.S. borders with Mexico and Canada. Since the passage of the North American Free Trade Agreement (NAFTA) in 1994, the trade between the NAFTA partners increased by \$218,000,000 thousand over pre-NAFTA levels. The additional trade and traffic flowing through the border stations increase the requirement for new and expanded crossings.

#### **Security**

In responding to the need for increased physical security for more than 8

# **General Services Administration PUBLIC BUILDINGS SERVICE FEDERAL BUILDINGS FUND**

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thousand buildings in the aftermath of the destruction of the Murrah Federal Building in 1995, we invested \$511,000 thousand for security enhancements. This investment provided PBS with additional Federal Protection Officers and contract security guards, development of security design criteria for construction and major alteration projects, and installation of security equipment such as magnetometers, x-ray machines, intrusion devices, bollards, etc.

Exhibit 4 - Obligations by Object Class

Exhibit 5 - Summary of Total Inventory

Exhibit 6 - Summary of Assigned Space

Exhibit 7 - Appropriation Language and Explanation of Changes in Appropriation Language

## **Responsibility Segments**

Immediately following this narrative is an exhibit on Responsibility Segments (Exhibit 1). This exhibit divides our fiscal year 2001 budget request into Operations (including operations in government-owned and leased facilities, and for disposal) and Capital (including Construction and Acquisition of Facilities and Repairs and Alterations).

This segmentation fits with how PBS conducts business and offers a close and logical alignment of responsibilities with PBS' performance measures.

## **BUDGET SUMMARY INFORMATION**

The following exhibits provide more information regarding the overall aspects of the FBF:

Exhibit 1 - Responsibility Segments

Exhibit 1A - Schedule of Resources, New Obligational Authority, and Fund Balance

Exhibit 2 - Indefinite Authorities

Exhibit 3 - Schedule of FTE, Obligations, and Net Outlays



**General Services Administration  
PUBLIC BUILDINGS SERVICE  
FEDERAL BUILDINGS FUND**

**RESPONSIBILITY SEGMENTS**

**FY 2001 BUDGET REQUEST  
(Dollars in Thousands)**

	OPERATIONS		CAPITAL		TOTAL
	Government- Owned	Government- Leased	Construction & Acquisition	Repairs & Alterations	
Construction and Acquisition	\$0	\$0	\$779,788	\$0	\$779,788
Basic Repairs and Alterations	\$261,000 <sup>1/</sup>	\$29,000	\$0	\$0	\$290,000
Line Item Repairs and Alterations	\$0	\$0	\$0	\$431,193	\$431,193
Installment Acquisition Payments	\$0	\$0	\$185,369	\$0	\$185,369
Redemption of Debt	\$0	\$0	\$70,595	\$0	\$70,595
Rental of Space	\$0	\$2,944,905	\$0	\$0	\$2,944,905
Building Operations	<u>\$1,206,621</u>	<u>\$225,068</u>	<u>\$92,614</u>	<u>\$100,468</u>	<u>\$1,624,771</u>
o Building Services	\$681,581	\$84,240	\$0	\$0	\$765,821
o Protection	\$178,954	\$47,570	\$0	\$0	\$226,524
o Salary and Administration					
-Staff Support (Excludes Protection)	\$230,863	\$58,315	\$58,323	\$58,323	\$405,824
-Protection Staff	\$25,996	\$5,706	\$0	\$0	\$31,702
o Technical services, space planning)	\$1,221	\$10,064	\$14,625	\$17,643	\$43,553
o Information Technology	\$27,755	\$6,093	\$4,835	\$9,671	\$48,354
o Centralized Services	\$60,251	\$13,080	\$14,831	\$14,831	\$102,993
Reimbursable	\$342,404	\$254,608	\$96,576	\$184,371	\$877,959
<b>TOTAL</b>	<b>\$1,810,025</b>	<b>\$3,453,581</b>	<b>\$1,224,942</b>	<b>\$716,032</b>	<b>\$7,204,580</b>

<sup>1/</sup> Includes approximately \$37,800 thousand for the recapture of 921 thousand rentable square feet.

**General Services Administration**  
**PUBLIC BUILDINGS SERVICE**  
**FEDERAL BUILDINGS FUND**

SCHEDULE OF RESOURCES, NEW OBLIGATIONAL AUTHORITY, AND FUND BALANCE

FY 1999 - FY 2001

(Dollars in Thousands)

	FY 1999	FY 2000	FY 2001
	Actual	Current	Request
<b>Resources:</b>			
Available from prior year for reauthorization	50,856	195,242	249,381
Columbia Hospital for Women		14,000	
Unobligated Balance from Pennsylvania Ave. Activities	[15,201]	---	---
Redemption of Debt	(91,143)	(99,378)	(70,595)
Reprogramming Authority	19,453	88,037	---
Appropriation	450,018	---	681,871
Revenue from operations:			
Rent	5,253,188	5,310,501	5,536,990
Indefinite Authority for Rental of Space	86,942	203,499	[241,010]
Other Indefinite Authorities	48,610	[21,479]	[16,112]
Miscellaneous	11,443	4,000	4,000
Outleasing	6,816	4,000	4,000
SSA/CDC/HCFA payments	28,566	36,628	36,628
Projects Lapsed /Rescinded		20,782	
Subtotal	<u>[5,435,565]</u>	<u>[5,579,410]</u>	<u>[5,581,618]</u>
Total Resources Available	5,864,749	5,777,311	6,442,275
<b>New Obligational Authority:</b>			
Construction and Acquisition	533,114 1/	87,079 2/	779,788 2/
Repairs and Alterations	681,828 1/	665,611 2/	721,193 2/
Installment Acquisition Payments	215,764	201,646	185,369
Columbia Hospital for Women		14,000	
Rental of Space	2,670,203 1/	2,985,685 1/	2,944,905 2/
Building Operations	<u>1,573,814 1/</u>	<u>1,573,909 2/</u>	<u>1,624,771 2/</u>
Total New Obligational Authority	5,674,723	5,527,930	6,256,026
<b>Fund Balance:</b>			
Total Resources Available	5,864,749	5,777,311	6,442,275
Total New Obligational Authority	(5,674,723)	(5,527,930)	(6,256,026)
Prior Year Recoveries	<u>5,216</u>	<u>---</u>	<u>---</u>
Fund Balance (Available for Reauthorization)	195,242	249,381	186,249

1/ Includes indefinite authority

2/ Excludes indefinite authority

See Exhibit 2 for listing and explanation of all Indefinite Authorities

**General Services Administration  
PUBLIC BUILDINGS SERVICE  
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EXHIBIT 2

**FY 2001 BUDGET  
Indefinite Authorities  
(Dollars in Thousands)**

	<b>FY 1999 ACTUAL</b>	<b>FY 2000 CURRENT</b>	<b>FY 2001 REQUEST</b>
<b><u>RESOURCES/EXPENDITURES</u></b>			
Repairs and Alterations (Basic) Pennsylvania Avenue Activities	23,438	[2,503]	[16]
Repairs and Alterations (Line-Item)			
Energy	522	[535]	[535]
Recycling	713	[731]	[731]
Historical Outleasing	4,896	[5,018]	[5,018]
Building Operations			
Pennsylvania Avenue Activities	10,000	[3,754]	[24]
International Trade Center	8,614	[8,500]	[9,350]
Teleworking	<u>427</u>	<u>[438]</u>	<u>[438]</u>
<b>TOTAL (Excludes Leased Expansion Space)</b>	48,610	[21,479]	[16,112]
Rental of Space			
Leased Expansion Space	86,942	203,499	[241,010]

**General Services Administration  
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**SCHEDULE OF FTE, OBLIGATIONS, AND NET OUTLAYS  
(Dollars in Thousands)**

							Increase/(Decrease) For FY 2001	
	FY 1999 Actual		FY 2000 Current		FY 2001 Request		Change	
	FTE	Obligations	FTE	Obligations	FTE	Obligations	FTE	Obligations
<b>FTE and Obligations:</b>								
1. Construction and Acquisition	-	775,045	-	398,285	-	667,603	-	269,318
2. Repairs and Alterations	-	607,124	-	801,181	-	774,706	-	(26,475)
3. Design and Construction Services	-	4,539	-	2,284	-	-	-	(2,284)
4. Installment Acquisition Payments	-	206,239	-	213,018	-	195,369	-	(17,649)
5. Construction of Lease Purchase Facilities	-	28,843	-	24,630	-	23,602	-	(1,028)
6. Pennsylvania Avenue Activities								
a) Repairs and Alterations	-	3,912	-	8,471	-	9,350	-	879
b) Building Operations	-	1,948	-	2,647	-	2,326	-	(321)
Subtotal, Pennsylvania Avenue Activities		5,860		11,118		11,676		558
7. Columbia Hospital for Women	-	-	-	6,000	-	-	-	(6,000)
8. Rental of Space	-	2,680,002	-	3,009,331	-	2,944,905	-	(64,426)
9. Building Operations								
a) Cleaning	392	185,013	456	217,026	456	220,468	-	3,442
b) Utilities/Fuel	-	223,111	-	253,608	-	257,314	-	3,706
c) Maintenance	948	202,545	1,267	231,590	1,267	240,605	-	9,015
d) Other Building Services	2,824	270,751	2,369	247,265	2,369	255,385	-	8,120
e) Protection	1,245	242,669	1,408	247,031	1,408	258,226	-	11,195
f) Other Staff Support	1,647	270,715	1,655	230,221	1,655	241,426	-	11,205
g) IT Support	-	60,463	-	69,105	-	48,354	-	(20,751)
h) Centralized Services	-	87,642	-	99,993	-	102,993	-	3,000
i) International Trade Center	-	10,396	-	1,395	-	-	-	(1,395)
Subtotal, Building Operations	7,056	1,553,305	7,155	1,597,234	7,155	1,624,771	-	27,537
10. Reimbursable	118	805,794	132	951,501	132	877,959	-	(73,542)
<b>Total FTE and Obligations</b>	<b>7,174</b>	<b>6,666,751</b>	<b>7,287</b>	<b>7,014,582</b>	<b>7,287</b>	<b>7,120,591</b>	<b>-</b>	<b>106,009</b>
<b>Net Outlays:</b>		(220,816)		178,476		298,179		119,703

**General Services Administration  
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<b>FEDERAL BUILDINGS FUND Obligations by Object Class \$(Thousands)</b>			
	<b>FY 1999 Estimate</b>	<b>FY 2000 Current</b>	<b>FY 2001 Request</b>
Personnel Compensation:			
11.1 Full-time permanent	379,753	392,101	401,022
11.3 Other than full-time permanent	3,763	5,148	5,316
11.5 Other personnel compensation	7,612	12,493	12,830
11.9 Total personnel compensation	391,128	409,742	419,168
12.1 Civilian personnel benefits	85,138	84,262	87,716
13.0 Benefits for former personnel	0	2,372	2,417
21.0 Travel and transportation of persons	16,181	17,272	17,359
21.0 Motor pool travel	5,185	4,816	4,917
22.0 Transportation of things	2,845	4,263	4,350
23.2 Rental payments to others	2,681,508	3,009,331	2,944,905
23.3 Communications, utilities, and misc. cha	284,219	243,612	250,100
24.0 Printing and reproduction	3,235	7,871	7,811
25.1 Advisory and assistance services	339	346	353
25.2 Other services	2,209,017	2,079,187	2,283,585
25.4 Operation and maintenance of facilities	607,861	716,258	666,663
25.7 Operation and maintenance of equipmen	43,537	45,407	46,361
26.0 Supplies and materials	71,909	101,187	94,509
31.0 Equipment	35,871	31,775	32,230
32.0 Land and structures	44,335	62,698	83,892
41.0 Grants, subsidies, and contributions	2,026	6,044	45
42.0 Insurance claims and indemnities	102	84	86
43.0 Interest and dividends	182,315	188,055	174,124
99.9 Total obligations	6,666,751	7,014,582	7,120,591

**General Services Administration**  
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SUMMARY OF TOTAL INVENTORY, GOVERNMENT-OWNED AND LEASED FY 1999 - FY 2001 (Rentable Square Feet in Thousands)						
	FY 1999 ACTUAL (1)	CHANGE FROM FY 1998	FY 2000 CURRENT	CHANGE FROM FY 1999	FY 2001 REQUEST	CHANGE FROM FY 2000
GOVERNMENT-OWNED						
ASSIGNED	165,369	3,589	168,486	3,117	171,860	3,374
VACANT	<u>20,748</u>	<u>(3,232)</u>	<u>20,356</u>	<u>(392)</u>	<u>18,553</u>	<u>(1,803)</u>
TOTAL, GOVERNMENT-OWNED	186,117	357	188,842	2,725	190,413	1,571
LEASED (2)						
ASSIGNED (3)	149,645	4,734	154,545	4,900	158,939	4,394
VACANT	<u>4,042</u>	<u>(843)</u>	<u>3,476</u>	<u>(566)</u>	<u>3,243</u>	<u>(233)</u>
TOTAL, LEASED	153,687	3,891	158,021	4,334	162,182	4,161
GOVERNMENT OWNED AND LEASED						
ASSIGNED	315,014	8,323	323,031	8,017	330,799	7,768
VACANT	<u>24,790</u>	<u>(4,075)</u>	<u>23,832</u>	<u>(958)</u>	<u>21,796</u>	<u>(2,036)</u>
TOTAL SPACE IN INVENTORY (SQ. FT) (4)	339,804	4,248	346,863	7,059	352,595	5,732
% OF TOTAL SPACE VACANT	7%		7%		6%	
% OF GOVT-OWNED VACANT	11%		11%		10%	
% OF LEASED VACANT	3%		2%		2%	

(1) Actual as of September 15, 1999

(2) This includes space that GSA leases in USPS facilities.

(3) Leased assigned includes space leased under indefinite authority provision.

(4) Does not include outside parking.

**General Services Administration**  
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SUMMARY OF SPACE ASSIGNED, TOTAL INVENTORY  
GOVERNMENT-OWNED AND LEASED SPACE  
(Rentable Square Feet in Thousands)  
FY 1999 - FY 2001

AGENCY	FY 1999 ACTUAL (1)	FY 2000 CURRENT	FY 2001 REQUEST	CHANGE FROM FY 2000
TREASURY	42,035	42,999	43,806	807
JUSTICE	39,909	40,873	41,640	767
U.S. COURTS	32,965	33,929	34,565	636
DEFENSE	25,175	31,730	31,687	(43)
SSA	19,118	26,139	26,629	490
INTERIOR	14,833	15,797	16,093	296
HHS	12,088	13,052	13,297	245
ALL OTHER AGENCIES	128,931	118,512	123,082	4,570
TOTAL (2)	315,054	323,031	330,799	7,768

(1) Baseline data as of September, 1999

(2) Includes space leased under indefinite authority provision.

General Services Administration  
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FEDERAL BUILDINGS FUND

REAL PROPERTY ACTIVITIES  
LIMITATIONS ON AVAILABILITY OR REVENUE

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<p>√[To carry out the purpose of] the Fund established pursuant to section 210(f) of the Federal Property and Administrative Services Act of 1949, as amended (40 U.S.C. 490(f)),√</p>	<p><u>For an additional amount to be deposited in, and to be used for the purposes of,</u></p>
<p>[the] √revenues and collections deposited into the Fund shall be available for necessary expenses of real property management and related activities not otherwise provided for, including operation, maintenance, and protection of federally owned and leased buildings; rental of buildings in the District of Columbia; restoration of leased premises; moving governmental agencies (including space adjustments and telecommunications relocation expenses) in connection with the assignment, allocation and transfer of space; contractual services incident to cleaning or servicing buildings, and moving; repair and alteration of federally owned buildings including grounds, approaches and appurtenances; care and safeguarding of sites; maintenance, preservation, demolition, and equipment; acquisition of buildings and sites by purchase, condemnation, or as otherwise authorized by law; acquisition of options to purchase buildings and sites; conversion and extension of federally owned buildings; preliminary planning and design of projects by contract or otherwise; construction of new buildings (including equipment for such buildings); and payment of principal, interest, and any other obligations for public buildings acquired by installment purchase and purchase contract, in the _____ aggregate amount of <u>[\$5,342,416,000]</u>√, of</p>	<p><u>\$681,871,000.</u></p> <p><u>The</u></p>
<p>which: (1) <u>[\$74,979,000]</u>√ shall remain available until expended for construction of additional projects at locations and at maximum construction improvement costs (including</p>	<p><u>\$6,256,026,000</u></p> <p><u>\$779,788,000</u></p>



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funds for sites and expenses and associated design and construction services) as follows:  
New Construction:

√ [Maryland:

Montgomery County, FDA Consolidation,  
\$35,000,000

Michigan:

Sault Sainte Marie, Border Station,  
\$8,263,000

Montana:

Roosville, Border Station, \$753,000  
Sweetgrass, Border Station, \$11,480,000

Texas:

Fort Hancock, Border Station, \$277,000

Washington:

Oroville, Border Station, \$11,206,000

Arkansas:

Little Rock, U.S. Courthouse Annex (Additional Design), \$1,820,000

California:

Los Angeles, U.S. Courthouse, \$31,523,000

District of Columbia:

Bureau of Alcohol, Tobacco, and Firearms Headquarters, \$83,000,000

U.S. Courthouse Annex, \$104,050,000

Southeast Federal Center Site

Remediation, \$5,000,000

Florida:

Miami, U.S. Courthouse, \$110,950,000

Maryland:

Montgomery County, FDA Consolidation, \$101,239,000

Maine:

Jackman, Border Station, \$619,000

Michigan:

Sault Sainte Marie, Border Station, \$3,630,000

Mississippi:

Biloxi-Gulfport, U.S. Courthouse, \$42,715,000

Montana:

Eureka/Roosville, Border Station, \$6,892,000

Raymond, Border Station, \$577,000

New York:

New York, U.S. Mission to the United Nations, \$58,304,000

Texas:

Del Rio III, Border Station, \$1,832,000

Eagle Pass, Border Station, \$2,212,000

Fort Hancock, Border Station, \$2,140,000

Houston, Federal Bureau of Investigation, \$6,145,000

Virginia:

Richmond, U.S. Courthouse, \$19,476,000

Washington:

Seattle, U.S. Courthouse, \$177,930,000

Nationwide:

Judgment Fund Repayment, \$16,734,000

Non-prospectus construction projects, \$3,000,000

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Nationwide:

Non-prospectus, \$8,000,000:]

*Provided*, That each of the immediately foregoing limits of costs on new construction projects may be exceeded to the extent that savings are effected in other such projects, but not to exceed 10 percent unless advance

[approval is obtained from]√ the Committees on

Appropriations of a greater amount: *Provided*

notice is transmitted to

*further*, That all funds for direct construction

projects shall expire on September 30, [2001]√,

2002

and remain in the Federal Buildings Fund except

for funds for projects as to which funds for

design or other funds have been obligated in

whole or in part prior to such date[: *Provided*

*further*, That of the amount provided under this

heading in Public Law 104-208, \$20,782,000 are

rescinded and shall remain in the Fund; (2)

[\$598,674,000] √ shall remain available until

expended for repairs and alterations which

\$721,193,000

includes associated design and construction

services], of which \$333,000,000 shall be

available for basic repairs and alterations]:

*Provided further*, That funds [made available in

any previous Act] in the Federal Buildings Fund

for Repairs and Alterations shall, for prospectus

projects, be limited to the amount [identified for

each project]√ except each project [in any

by project, as follows,

previous Act] may be increased by an amount

not to exceed 10 percent unless advance

[approval is obtained from]√ the Committees on

notice is transmitted to

Appropriations of a greater amount:

√

Repairs and Alterations:

Arizona:

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Phoenix, Federal Building-Courthouse,  
\$26,962,000

California:

Santa Ana, Federal Building, \$27,864,000

District of Columbia:

Internal Revenue Service Headquarters  
(Phase 1), \$31,780,000

Main State Building, (Phase 3), \$28,775,000

Maryland:

Woodlawn, SSA National Computer Center,  
\$4,285,000

Michigan:

Detroit, McNamara Federal Building,  
\$26,999,000

Missouri:

Kansas City, Richard Bolling Federal Building,  
\$25,882,000

Kansas City, Federal Building, 8930 Ward  
Parkway, \$8,964,000

Nebraska:

Omaha, Zorinsky Federal Building, \$45,960,000

New York:

New York City, 40 Foley Square, \$5,037,000

Ohio:

Cincinnati, Potter Stewart U.S. Courthouse,  
\$18,434,000

Pennsylvania:

Pittsburgh, U.S. Post Office-Courthouse,  
\$54,144,000

Utah:

Salt Lake City, Bennett Federal Building,  
\$21,199,000

Virginia:

Reston, J.W. Powell Federal Building,  
(Phase 2), \$22,993,000

Nationwide:

Chlorofluorocarbons Program, \$10,000,000

Glass Fragment Retention, \$30,000,000

Design Program, \$21,915,000

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<u>Energy Program, \$20,000,000</u> <u>Basic Repairs and Alterations, \$290,000,000</u>	purchase contracts which shall remain available until expended; (4) <u>[\$2,782,186,000]</u> ✓ for rental of space which shall remain available until expended; and
<p><i>Ö</i><u>Provided further, That the amounts provided in this or any prior Act for "Repairs and Alterations" may be used to fund costs associated with implementing security improvements to buildings necessary to meet the minimum standards for security in accordance with current law and in compliance with the reprogramming guidelines of the appropriate Committees of the House and Senate: <i>Provided further, That the difference between the funds appropriated and expended on any projects in this or any prior Act, under the heading "Repairs and Alterations", may be transferred to Basic Repairs and Alterations or used to fund authorized increases in prospectus projects: <i>Provided further, That all funds for repairs and alterations prospectus projects shall expire on September 30, [2001]✓, and remain the Federal Buildings Fund except funds for projects as to which funds for design or other funds have been obligated in whole or in part prior to such date: <i>Provided further, That the amount provided in this or any prior Act for Basic Repairs and Alterations may be used to pay claims against the Government arising from any projects under the heading "Repairs and Alterations" or used to fund authorized increases in prospectus projects[:<i>Provided further, That the General Services Administration is directed to use funds available for Repairs and Alterations to undertake the first construction phase of the project to renovate the Department of Interior Headquarters Building located in Washington, D.C.]; (3) [\$205,668,000]✓ for installment acquisition payments including payments on</i></i></i></i></u></p>	<p><u>Provided further, That additional projects for which prospectuses have been fully approved may be funded under this category only if advance notice is transmitted to the Committees on Appropriations:</u></p> <p style="text-align: right;"><u>2002</u></p> <p style="text-align: right;"><u>\$185,369,000</u></p>

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\$2,944,905,000

Fund during fiscal year [2000]√ excluding reimbursements under section 210(f)(6) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 490(f)(6)) in excess of [\$5,342,416,000]√

(5) [\$1,580,909,000]√ for building operations which shall remain available until expended[, of which \$475,000 shall be available for the Plains States De-population Symposium and of which \$1,974,000 shall be available until expended for acquisition, lease, construction, and equipping of flexiplace telecommuting centers]:√ *Provided further*, That funds available to the General Services Administration shall not be available for expenses of any construction, repair, alteration and acquisition project for which a prospectus, if required by the Public Buildings Act of 1959, as amended, has not been approved, except that necessary funds may be expended for each project for required expenses for the development of a proposed prospectus: *Provided further*, That funds available in the Federal Buildings Fund may be expended for emergency repairs when advance [approval is obtained from]√ the Committees on Appropriations: *Provided further*, That amounts necessary to provide reimbursable special services to other agencies under section 210(f)(6) of the Federal Property and Administrative Services Act of 1949, as amended (40 U.S.C. 490(f)(6)) and amounts to provide such reimbursable fencing, lighting, guard booths, and other facilities on private or other property not in Government ownership or control as may be appropriate to enable the United States Secret Service to perform its protective functions pursuant to 18 U.S.C. 3056, shall be available from such revenues and collections: *Provided further*, That revenues and collections and any other sums accruing to this

\$1,624,771,000

*Provided further*, That in addition to amounts made available herein, the following sums are to be deposited into the Fund, to become available on October 1 of the fiscal year specified, and remain available until expended: fiscal year 2002, \$218,957,000 of which \$34,083,000 shall be for the construction of a new facility for the National Oceanic and Atmospheric Administration at Suitland, Maryland and \$184,874,000 for the construction of the Food and Drug Administration Consolidation in Montgomery County, Maryland; fiscal year 2003, \$162,633,000 for the construction of the Food and Drug Administration Consolidation in Montgomery County, Maryland; and fiscal year 2004, \$95,894,000 for construction of the Food and Drug Administration Consolidation in Montgomery County, Maryland:

notice is transmitted to

2001

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\$6,256,026,000

shall remain in the Fund and shall not be  
available for expenditure except as authorized in  
appropriations Acts (Independent Agencies  
Appropriation Act, 2000.)

## General Services Administration PUBLIC BUILDINGS SERVICE FEDERAL BUILDINGS FUND

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### Explanation of Changes In Appropriation Language for FY 2001

For fiscal year 2001, the proposed language for the Federal Buildings Fund (FBF) includes changes from previously enacted legislation as follows:

1. PBS is requesting a direct appropriation to the Federal Buildings Fund of \$681,871 thousand. This appropriation will fund \$672,703 thousand of the Construction and Acquisition program and \$9,168 thousand of the amortized amount of the relocation costs that GSA financed for the FCC's move to Portals.
2. We have included language that would provide an advance appropriation of funds to become available on October 1, 2001, for construction of a new facility for the National Oceanic and Atmospheric Administration at Suitland, Maryland. Department of Commerce already has funding for the design of this project.
3. We have included language that would provide an advance appropriation of funds for Phases 3, 4 and 5 of consolidation of the Food and Drug Administration functions. Funds will become available in fiscal years 2002 (construction of Phase 3, design of Phase 4), 2003 (construction of Phase 4 and design of Phase 5), and 2004 (construction of Phase 5). Phase 5 will complete consolidation of the FDA functions.
4. The proposed language changes the requirement from "advance approval is obtained from" the Committees on Appropriations for the addition of repairs and alterations projects, emergency repairs, and new construction and repairs and alterations project escalations exceeding 10 percent, to "advance notice is transmitted to" the Committees on Appropriations for these actions. While the committees still retain control over projects, this change will permit GSA to conduct its capital program in a more timely and responsive manner.
5. Prospectus level repairs and alterations projects have been included by individual line. FY 2000 appropriation language provided such projects as a single lump-sum amount.

# General Services Administration PUBLIC BUILDINGS SERVICE FEDERAL BUILDINGS FUND

## Explanation of Estimates Construction and Acquisition of Facilities

New Obligational Authority  
(Dollars in Thousands)

FY 1999 Actual \$533,114	FY 2000 Current \$87,079	FY 2001 Request \$779,788
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Strategic Goals	Strategic Objectives	Performance Goals	Performance Measures
<ul style="list-style-type: none"> <li>Promote Responsible Asset Management</li> </ul>	<ul style="list-style-type: none"> <li>Conserve taxpayer investment in real and personal property and maximize the Government's return on investment</li> </ul>	<ul style="list-style-type: none"> <li>Improve percentage of construction projects completed on schedule</li> <li>Reduce the cost escalation rate for new construction projects</li> </ul>	<ul style="list-style-type: none"> <li>Percent of construction projects completed on schedule (Target: 81%)</li> <li>Percent of dollars over budget (Target: 1%)</li> </ul>
<ul style="list-style-type: none"> <li>Excel at Customer Service and Compete Effectively for the Federal Market</li> </ul>	<ul style="list-style-type: none"> <li>Incorporate customer feedback and customer satisfaction data in GSA's planning and decision-making processes</li> </ul>	<ul style="list-style-type: none"> <li>Maintain a 90% or better customer satisfaction rating in newly constructed buildings</li> </ul>	<ul style="list-style-type: none"> <li>Percentage of satisfied customers (Target: 90%)</li> </ul>

### General Program Description

PBS surveys the housing needs of its client agencies and the availability of Federal housing in communities nationwide. We recommend construction projects to meet new housing needs of an agency, replace antiquated facilities or to consolidate several dispersed agencies with long-term housing requirements.

PBS's experience has shown that a construction and ownership solution for special purpose and unique facilities, such as courthouses and border stations is often the best housing solution because these facilities are not readily available in the real estate market. PBS may purchase existing facilities and may also acquire construction sites through purchase or exchange.



# General Services Administration

## PUBLIC BUILDINGS SERVICE

### FEDERAL BUILDINGS FUND

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#### Budget Summary

Highlights
<ul style="list-style-type: none"><li>• \$3,000 thousand for non-prospectus projects</li><li>• \$16,734 thousand for repayment to the Judgment Fund</li><li>• \$17,902 thousand for seven Border Stations</li><li>• \$58,304 thousand for the construction of a new United Nations Mission facility in New York, NY</li><li>• \$101,239 thousand for the Food and Drug Administration's headquarters consolidation project in Montgomery County, MD</li><li>• \$83,000 thousand for the Bureau of Alcohol, Tobacco, and Firearms headquarters in Washington, DC</li><li>• \$488,464 thousand for seven Federal Judiciary projects</li><li>• \$6,145 thousand for a Federal Bureau of Investigations facility in Houston, TX</li><li>• \$5,000 thousand for site remediation at the Southeast Federal Center in Washington, DC</li></ul>

Figure 4

The following details our budget request of \$779,788 thousand. Of this amount, \$107,085 thousand will be funded from the resources of the Federal Buildings Fund (FBF) and \$672,703 thousand from a direct appropriation to the FBF.

#### **Non-Prospectus Construction Projects--\$3,000 thousand**

This program funds small projects below the prospectus level (\$1,990 thousand).

These funds are also used to purchase small parcels of land and to construct

small buildings such as childcare centers, storage buildings, and ancillary buildings at border stations.

These expenditures are justified by the same stringent return on investment analysis used to justify other capital expenditures.

#### **Repayment to the Judgment Fund--\$16,734 thousand**

Funding in the amount of \$16,734 thousand is requested to reimburse the Department of Treasury for payment of claims against the Federal Building-Courthouse project (\$6,750 thousand) in Los Angeles, CA, and the U.S. Courthouse project (\$9,984 thousand) in Minneapolis, MN.

The settlement agreements include a release of all claims and demands for relief, which arise under the contracts. The U.S. Treasury under the terms of the Contract Disputes Act paid the claims. Project funds to reimburse the Treasury are no longer available.

#### **Border Station Program--\$17,902 thousand**

This budget requests \$17,902 thousand for seven border station projects.

PBS designs, constructs, leases, appraises, alters, operates, and maintains northern and southern U.S. border inspection facilities. These facilities accommodate the requirements of the Federal Inspection Services (FIS). These include the U.S. Customs Service, the Immigration and Naturalization Service, and the Department of Agriculture.

Through the Border Station Center of Expertise and the Border Station

# **General Services Administration**

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Council, PBS and the FIS work together to plan border station projects. Planning considerations include available capacity at the stations, the condition of the present facilities, and current and projected traffic flows.

This planning results in an annual priority list for the next budget and planning cycle, as well as a consolidated five-year plan. The list includes prospectus level construction and alteration projects, other projects below prospectus level estimated to cost --more than \$100 thousand, and proposed joint U.S./Canada border stations. PBS is responsible for budgeting and funding the U.S. portion of these joint stations.

#### **U.S. Mission to the United Nations--\$58,304 thousand**

This request of \$58,304 thousand includes funding for demolition of the existing U.S. Mission building which will enable us to proceed with construction of a new facility on the site. The new facility will fulfill consolidation and expansion needs of the offices and related functions of the U.S. Mission in a more secure and efficient structure.

#### **Food and Drug Administration Consolidation--\$101,239 thousand**

This request includes \$101,239 thousand in direct appropriations for the Food and Drug Administration's headquarters consolidation project at White Oak in Montgomery County, MD. The requested funding is for Phase II construction of FDA's Center for Drug Evaluation and Research office building and the design of the Center for Devices and Radiological Health Laboratory and Office.

#### **Alcohol, Tobacco, and Firearms Headquarters--\$83,000 thousand**

Funding in the amount of \$83,000 thousand is requested for the Bureau of Alcohol, Tobacco, and Firearms (ATF) headquarters in Washington, DC. Currently, ATF is located in two leased buildings in Washington, DC. The proposed facility would provide a single tenant building for the agency.

#### **Federal Judiciary--\$488,464 thousand**

This request of \$488,464 thousand for the courthouse construction program includes funding for four new construction projects scheduled to begin within the first three quarters of fiscal year 2001, fund the first two design projects on the Judiciary's priority list, and complete the design work for an existing project. All the projects requested meet the building criteria outlined in the U.S. Courts Design Guide. In addition, the scope of these projects assumes courtroom sharing as a cost-effective means for providing the space needed by the Courts.

The Administration urges the Judiciary to incorporate courtroom sharing and other cost saving options, such as splitting courthouse operations between older and newer structures, in conformity with the U.S. Courts Design Guide criteria. The goal of the fiscal year 2001 courthouse program is to produce aesthetically pleasing, dignified, and secure courthouses in a cost efficient manner. There are several examples of cost savings initiatives in the fiscal year 2001 program. First, two of the seven projects would retain the existing courthouses by constructing annexes. This would eliminate the need to backfill or dispose of the older structures. Second, all of the projects include

# **General Services Administration**

## **PUBLIC BUILDINGS SERVICE**

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courtroom sharing, which would reduce the total project costs associated with the fiscal year 2001 program by over six percent. Third, the total cost of the Los Angeles Courthouse project would decrease an additional 23 percent (or \$85,000 thousand) by constructing a second, smaller courthouse as a companion to the existing Roybal Federal Courthouse, instead of a larger, stand-alone courthouse.

Between 1991 and 1999, the Federal Government has spent more than \$3.7 billion on 46 courthouse construction projects. The Judiciary seeks approximately \$4.5 billion in additional budget authority over the next nine years for the design and construction of approximately 113 additional courthouse projects. The Administration will support future year funding for the other projects on the Judiciary's priority list as those projects: (1) become ready to begin construction; (2) come into conformity with the U.S. Courts Design Guide; and (3) incorporate an appropriate measure of courtroom sharing.

GSA strives to build designs of lasting quality and dignity. In 1993, we established a "Design Excellence" program which ensures we select the nation's best private sector architects to design our most important civic buildings. In determining the space requirements and layout of individual buildings we rely on the Courts Design Guide produced by the Judicial Conference.

GSA has a well established, successful cost benchmarking process for new courthouse construction. Baseline benchmarks, on a cost per square foot basis, were established for Federal courthouses based on industry data. The baseline benchmarks represent the

five space types prevalent in courthouse construction projects; courtroom space, chamber space, general office space, U.S. Marshal's cellblock space and indoor parking. The benchmarking numbers represent the acceptable cost for a courthouse project in Washington, DC, in 1997 dollars.

However, before a benchmark is used as an independent cost comparison tool for an actual project, it is further adjusted to reflect the specific conditions which apply to that particular project, such as premium costs for seismic construction, escalation to the date of construction award, and geographic location. Once a benchmark is calculated for a specific project, Federal construction can be compared to private sector buildings, providing a measure of comparability and value. It also promotes a uniform courthouse construction program nationwide by providing a method to compare projects to one another.

GSA's Courthouse Management Group continues to oversee consistency in courthouse construction and to be a single point of responsibility for program efficiency and cost effectiveness. The group ensures projects are consistent with the Courts Design Guide during project development and construction.

#### **Federal Bureau of Investigations-- \$6,145 thousand**

This request of \$6,145 thousand is for site and design for a new Federal Bureau of Investigations facility in Houston, TX. The construction of this facility will replace the existing FBI leased office building and provide them the sufficient security and blast protection that they have needed.

# **General Services Administration PUBLIC BUILDINGS SERVICE FEDERAL BUILDINGS FUND**

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## **Southeast Federal Center--\$5,000 thousand**

This request of \$5,000 thousand is to complete site remediation work at the Southeast Federal Center 55 acre site in Washington, DC. This funding is for conventional remediation of a 2.7 acre portion of the site previously regarded as suitable for less expensive bio-remediation methods.

## **Advance Appropriations for Fiscal Year 2002--\$218,957 thousand**

PBS is seeking advance appropriations of \$218,957 thousand for direct funding to the Federal Buildings Fund in fiscal year 2002.

This advance request includes \$34,083 thousand in direct appropriations for the National Oceanic and Atmospheric Administration facility in Suitland, MD, and \$184,874 thousand for the FDA headquarters consolidation project in Montgomery County, MD.

We are seeking advance appropriations of \$162,633 thousand and \$95,894 thousand for fiscal years 2003 and 2004, respectively. The amounts fund Phases 4 and 5 of the Food and Drug Administration (FDA) consolidation at White Oak, MD. These two phases will complete funding for consolidation of the FDA functions.

## **Performance Plan**

The Construction and Acquisition of Facilities program goals aim for timely completion of construction projects, minimization of cost overruns, and

meeting needs while obtaining value of tax dollars.

## ***Promote Responsible Asset Management***

In our Performance Plan, we set objectives to deliver our \$779,788 thousand new construction program on schedule and minimize cost escalations. On a quarterly basis, we assess the schedule and cost performance of our major construction projects. Currently, 59 percent of the total project value for projects is on schedule. Our fiscal year 2001 goal is to execute our construction program within the appropriated level and deliver 81 percent of our major projects on schedule. Also, we plan that 1 percent or less of our project costs will be attributed to project escalations.

We assess the performance of ongoing and completed projects, while using unit cost benchmarks to test the reasonableness of our estimates at project conception. We continually monitor these measures to prevent extensive change orders and schedule delays.

## ***Excel at Customer Service and Complete Effectively for the Federal Market***

We are developing a survey to randomly select tenants housed in various newly constructed buildings to measure their satisfaction with the space and services. Our goal is to maintain or exceed our current satisfactory rating of 90 percent from those housed in our new buildings.

## **Budget Summary Information**

The following exhibits provide information regarding the overall aspect

**General Services Administration  
PUBLIC BUILDINGS SERVICE  
FEDERAL BUILDINGS FUND**

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of the Construction and Acquisition  
program:

Exhibit 8 - Summary of Fiscal Year 2001  
Program

Exhibit 9 - Project Descriptions

**General Services Administration  
PUBLIC BUILDINGS SERVICE**

<b>CONSTRUCTION AND ACQUISITION OF FACILITIES SUMMARY OF FY 2001 PROGRAM (Dollars in Thousands) IN PRIORITY ORDER</b>										
<u>ESTIMATED TOTAL PROJECT COST</u>						<u>FY 2001 REQUEST</u>				
	<u>SITE</u>	<u>DESIGN</u>	<u>CONSTRUCTION</u>	<u>M&amp;I</u>	<u>TOTAL</u>	<u>SITE</u>	<u>DESIGN</u>	<u>CONSTRUCTION</u>	<u>M&amp;I</u>	<u>TOTAL</u>
<u>Projects Funded from FBF:</u>										
Judgment Fund Repayment.....	-	-	16,734	-	16,734	-	-	16,734	-	16,734
New York, NY, U.S. Mission to the U.N.....	-	3,389	53,984	4,094	61,467	-	226	53,984	4,094	58,304
Sault Sainte Marie, MI, BS.....	1,622	700	9,407	736	12,465	1,500	-	1,955	175	3,630
Eureka/Roosville, MT, BS.....	100	653	6,335	557	7,645	-	-	6,335	557	6,892
Fort Hancock, TX, BS.....	45	232	1,954	186	2,417	-	-	1,954	186	2,140
Jackman, ME, BS.....	-	619	5,897	537	7,053	-	619	-	-	619
Del Rio III, TX, BS.....	-	1,832	18,584	1,728	22,144	-	1,832	-	-	1,832
Raymond, MT, BS.....	-	577	5,518	449	6,544	-	577	-	-	577
Eagle Pass, TX, BS.....	-	2,212	23,726	2,170	28,108	-	2,212	-	-	2,212
Houston, TX, FBI.....	2,683	3,462	43,504	3,210	52,859	2,683	3,462	-	-	6,145
Washington, DC, SEFC Site Remediation.....	-	-	35,000	-	35,000	-	-	5,000	-	5,000
Nonprospectus construction.....	-	-	3,000	-	3,000	-	-	3,000	-	3,000
Subtotal, Federal Buildings Fund.....	4,450	13,676	223,643	13,667	255,436	4,183	8,928	88,962	5,012	107,085
<u>Projects Funded from Direct Appropriation:</u>										
(See attached listing for specific projects)....	#####	#####	1,460,804	62,769	1,731,730	37,600	28,703	579,614	26,786	672,703
Total Construction Program.....	#####	#####	1,684,447	76,436	1,987,166	41,783	37,631	668,576	31,798	779,788

# General Services Administration PUBLIC BUILDINGS SERVICE

## Construction and Acquisition of Facilities Project Descriptions

### ARKANSAS

#### **Little Rock – United States Courthouse Annex.....\$1,820,000**

This project proposes construction of a 100,538 gross square foot annex, including 55 inside parking spaces, and alterations to the existing Post Office-Courthouse (PO-CT) located at 600 Capitol Street, in Little Rock, AR. When the project is completed, the annex and the existing PO-CT will meet the ten-year requirements of the U.S. District Court, U.S. Marshals Service and other court-related agencies.

The PO-CT was constructed in 1932 and is on the National Register of Historic Places. It contains 275,344 gross square feet of space and houses the District Courts and court-related agencies. The project proposes the demolition of the U.S. Postal Service workroom and center wing and construction of a five-level addition between the east and west wings. In conjunction with construction of the addition, the project includes modernization of the PO-CT, including mechanical, electrical and plumbing upgrades, handicapped/accessibility improvements and alteration of currently occupied space to bring it into compliance with the U.S. Courts Design Guide.

Funding for site (\$821 thousand) and design (\$2,615 thousand) was provided in fiscal year 1999. This direct appropriation request is for additional design (\$1,820 thousand). Funding for construction (\$47,483 thousand) and management and inspection (\$3,608 thousand) will be requested in a future fiscal year. The estimated total project cost is \$56,347 thousand.

### CALIFORNIA

#### **Los Angeles - United States Courthouse.....\$31,523,000**

This project proposes the acquisition of a site and the design of a 712,102 gross square foot courthouse, including 80 inside parking spaces, in Los Angeles, CA. The courthouse will meet the ten-year expansion requirements of the District Court and court-related agencies. The site will be large enough to support the initial construction and meet the 30-year requirements of the courts.

The project will consolidate the District Court into one building. The magistrate and bankruptcy courts will occupy the Roybal Federal Building.

This direct appropriation request is for site acquisition (\$20,600 thousand) and design (\$10,923 thousand). Funding for construction (\$228,428 thousand) and for management and inspection (\$6,266 thousand) will be requested in a future fiscal year. The estimated total project cost is \$266,217 thousand.

### DISTRICT OF COLUMBIA

#### **Bureau of Alcohol, Tobacco, and Firearms Headquarters Facility.....\$83,000,000**

This project proposes the construction of a new 422,000 gross square foot building, including approximately 200 inside parking spaces, for the headquarters of the Bureau of Alcohol, Tobacco, and Firearms (ATF), of the Department of the Treasury, currently located in two leased buildings in Washington, DC.

The proposed facility would provide a single tenant building for ATF, so that security is not compromised. ATF will control access to the building and site, including vehicular access. All parking inside and outside the building will be controlled by ATF. The building will be constructed according to newly developed design standards for secure facilities. Parking building mechanical spaces, and some operational space will be provided below grade. Security measures such as blast resistant, non-collapsible construction techniques, larger than customary setbacks on the site, and controlled loading dock entry, will be incorporated in the project.

# General Services Administration PUBLIC BUILDINGS SERVICE

## Construction and Acquisition of Facilities Project Descriptions

The Department of Treasury received \$6,700 thousand in the 1995 Emergency Supplemental Appropriations Act, of which \$5,234 thousand is available for the design of the proposed facility. Treasury received \$15,000 thousand in its fiscal year 2000 budget for the site acquisition and related activities.

### **DISTRICT OF COLUMBIA - continued**

#### **Bureau of Alcohol, Tobacco, and Firearms Headquarters Facility – continued**

This direct appropriations request is for the construction (\$79,000 thousand) and management and inspection (\$4,000 thousand) of ATF's new headquarters facility. The estimated total project cost is \$103,234 thousand.

#### **Southeast Federal Center Site Remediation.....\$5,000,000**

This 55 acres project consists of the completion of environmental site preparation on the portion of the Southeast Federal Center (SEFC) site, east of New Jersey Avenue extended, in Washington, DC.

GSA requested \$30,000 thousand in its fiscal year 1997 budget for the remediation of the SEFC. The Congress appropriated \$20,000 thousand in fiscal year 1997 and \$10,000 thousand in fiscal year 1999.

This request (\$5,000 thousand) is for the construction funds required to complete the project. This additional amount is for conventional remediation of a 2.7 acre portion of the site previously regarded as suitable for less expensive bio-remediation methods. The total cost of remediation of the SEFC site is now estimated to be \$35,000 thousand.

#### **U.S. Courthouse Annex (E. Barrett Prettyman).....\$104,050,000**

This project proposes the construction of a 294,459 gross square foot annex, including 250 inside parking spaces, to the E. Barrett Prettyman Courthouse, 3rd and Constitution Avenue, NW, Washington, DC. The annex will provide space for the District Court, Magistrate Court, Bankruptcy Court, Court of Appeals, U.S. Attorneys, U.S. Marshals, and U.S. Trustees. The annex, in conjunction with the existing courthouse, will meet both the ten and the 30-year needs of the courts and court-related agencies.

Funding for design (\$5,703 thousand) was provided in fiscal year 1997. This direct appropriation request is for additional design (\$1,487 thousand), construction (\$97,641 thousand), and management and inspection (\$4,922 thousand). The estimated total project cost is \$109,753 thousand.

### **FLORIDA**

#### **Miami - United States Courthouse.....\$110,950,000**

This project proposes construction of a 426,468 gross square foot U.S. Courthouse, including 50 inside parking spaces, in Miami, FL. The new courthouse will meet the ten-year space requirements of the courts and court-related agencies.

Currently, the courts and court-related agencies are housed in four Government-owned and seven leased locations. The proposed plan for construction of the new courthouse and backfill of the Federal Courthouse Square will provide the required expansion space for the courts, consolidate court-related activities and ensure maximum security.

Site (\$18,890 thousand) and design (\$6,100 thousand) funding was received in fiscal year 1997. Escalated design (\$1,132 thousand) funding was provided to this project in fiscal year 1999 from savings from other projects. This direct appropriation request is for additional design (\$1,437 thousand), construction (\$104,575 thousand), and management and inspection (\$4,938 thousand) funding. The estimated total project cost is \$137,072 thousand.



# General Services Administration PUBLIC BUILDINGS SERVICE

## Construction and Acquisition of Facilities Project Descriptions

### MAINE

#### Jackman - Border Station.....\$619,000

This project proposes the construction of a new border station to replace the existing facility at Jackman, ME. In addition to a new main port building, this project will provide for the following ancillary inspection facilities: agency vehicle garage, two primary inspection lanes and booths for non-commercial traffic, one inspection lane and booth for commercial traffic, a

#### MAINE - continued

#### Jackman - Border Station - continued

non-commercial secondary inspection with an additional two lanes for non-commercial traffic, an outbound inspection area, and a GSA maintenance facility.

The total gross area of the new complex including the main port building and all ancillary inspection facilities is 24,040 gross square feet. There will be a total of 24 parking spaces, of which 19 are official agency spaces and five are for visitors.

The Jackman border station is on the U.S. Federal Inspection Agencies "Top Ten" priority list for replacement, and has been identified by the Shared Border Accord (established by President Clinton and Prime Minister Chretien) as a potential joint/shared facility. The facility is 40 years old, in poor condition and is rapidly deteriorating. The approach from Canada is dangerous. Truck and car lanes are inadequately laid out.

There is sufficient office, storage, locker, lunch, and conference/training space to house the projected staff level of 18 employees and the new computer system. There are no detention cells. The personnel in the supervisor's office are unable to visually monitor any of the inspection areas because of its location. The facility does not meet current building codes, has obsolescent plumbing, mechanical, electrical, and fire and life-safety systems. In addition, it is not accessible to handicapped persons.

This request is for design (\$619 thousand). Funding for construction (\$5,897 thousand) and management and inspection (\$537 thousand) will be requested in a future fiscal year. The estimated total project cost is \$7,053 thousand.

### MARYLAND

#### Montgomery County - Food and Drug Administration Consolidation.....\$101,239,000

This project will provide consolidated office and laboratory space for the Food and Drug Administration (FDA) headquarters components at White Oak in Montgomery County, MD. The FDA is currently housed in 48 buildings at 18 locations throughout the Washington, DC, metropolitan area. FDA requires 2.8 million gross square feet of laboratory, office, and support space. FDA is being consolidated in Montgomery County (White Oak) and in Prince George's County, Maryland. The proposed facility at White Oak will provide 2.2 million gross square feet of consolidated office and laboratory space for FDA headquarters. GSA intends to request funding to meet these facility requirements at White Oak on an incremental basis corresponding to the five phases of the planned project.

Below is the funding history for this project:

Fiscal Year 1992	\$200,000,000
Fiscal Year 1994	73,921,000

## General Services Administration PUBLIC BUILDINGS SERVICE

### Construction and Acquisition of Facilities Project Descriptions

Fiscal Year 1995	45,000,000
Fiscal Year 1996	55,000,000
Fiscal Year 2000	35,000,000
Reprogramming from another construction project	6,000,000
Rescission (P.L. 104-19)	(228,000,000)
Transfer (Seafood Research Center)	(5,000,000)
Total	\$181,921,000

A further breakdown of the \$181,921 thousand is as follows: \$5,000 thousand for site, \$15,691 thousand for design, \$12,366 thousand for project planning, \$141,441 thousand for construction, and \$7,423 thousand for management and inspection.

#### **MARYLAND - continued**

#### **Montgomery County - Food and Drug Administration Consolidation - continued**

Funding for Phase I of this project for the design (\$2,120 thousand) and for management and inspection (\$2,082 thousand) was funded in fiscal year 1996. The construction (\$29,939 thousand) of a 111,250 gross square foot laboratory for FDA's Center for Drug Evaluation and Research (CDER) and design (\$5,061 thousand) of the CDER office was appropriated in fiscal year 2000.

This direct appropriation request (\$101,239 thousand) for Phase II of the project is for construction (\$88,021 thousand) and management and inspection (\$4,158 thousand) of the CDER office building and the design (\$9,060 thousand) of the Center for Devices and Radiological Health (CDRH) Laboratory and Office.

Funding in the amount of \$443,401 thousand will be requested as a direct appropriation for design (\$13,965 thousand), construction (\$414,231 thousand), and management and inspection (\$15,205 thousand) in future years. Furthermore, of this \$443,401 thousand, \$184,874 thousand is being requested as an advance appropriation for fiscal year 2002, \$162,633 thousand in fiscal year 2003, and \$95,894 thousand in fiscal year 2004.

The estimated total project cost includes \$12,366 thousand for project planning, \$584,232 thousand for the Montgomery County project, and \$129,963 thousand for the Prince George's County project. The estimated total project cost for consolidation of FDA is \$726,561 thousand.

#### **Suitland – National Oceanic and Atmospheric Administration II.....\$34,083,000**

This project proposes the construction of a 207,970 gross square foot facility, plus a parking garage with 500 spaces, for the National Oceanic and Atmospheric Administration (NOAA). The proposed facility will provide space for the National Environmental Satellite, Data, and Information Service (NESDIS) currently located in Federal Building 4 (FOB 4) in Suitland, MD.

The majority of the NOAA components are located in FOB 4. NOAA's mission is to launch and control satellites used to gather, analyze, and distribute international weather and sensitive defense information. NOAA houses approximately \$50 million worth of computer equipment that controls approximately \$3 billion worth of satellites. NOAA's operation is 24 hours a day, seven days a week and requires high security due to NOAA's defense information section. FOB 4 is inadequate to house ADP space, but will be retained and used as office space by the Bureau of the Census. Funding for renovation of FOB 4 will be requested in a future budget.

The new facility will be constructed at the Government-owned Suitland Federal Center in Suitland, MD. The design (\$3,128 thousand) was provided through the Department of Commerce (DOC) budget in fiscal year 2000. In addition, DOC's budget includes \$14,526 thousand of construction funding as a fiscal year 2002 advance appropriation. This request is for advanced appropriation in fiscal year 2002 for construction (\$31,132 thousand) and management and

# General Services Administration PUBLIC BUILDINGS SERVICE

## Construction and Acquisition of Facilities Project Descriptions

inspection (\$2,951 thousand). The estimated total project cost is \$51,737 thousand.

### **MICHIGAN**

#### **Sault Sainte Marie - Border Station.....\$3,630,000**

This project proposes the construction of a new border station in Sault Sainte Marie, MI. The border station will contain 52,846 gross square feet including canopied areas. It will provide expanded office, lobby and storage space, five primary inspection lanes, a garage, and a secondary inspection building for the search of buses and private vehicles. The expanded on-site parking area will accommodate 157 vehicles.

The new facility will replace an existing border station that is overcrowded and does not provide sufficient space to allow agencies to perform their missions. From 1981 through 1997, the annual traffic count has increased an aggregate 145 percent. The commercial count has increased steadily at an average of seven percent per year.

### **MICHIGAN - continued**

#### **Sault Sainte Marie - Border Station - continued**

Site acquisition (\$122 thousand) and design (\$450 thousand) were funded in fiscal year 1999. Additional design (\$250 thousand), construction (\$7,452 thousand) and management and inspection (\$561 thousand) were funded in fiscal year

2000. This request is for additional site (\$1,500 thousand), construction (\$1,955 thousand), and management and inspection (\$175 thousand). The estimated total project cost is \$12,465 thousand.

### **MISSISSIPPI**

#### **Biloxi-Gulfport - United States Courthouse.....\$42,715,000**

This project proposes the construction of a 219,897 gross square foot U. S. Courthouse, including 50 inside parking spaces in Gulfport, MS. The new courthouse will meet the ten-year requirements of the courts and court-related agencies.

The U.S. Courts and court-related activities currently occupy space in four locations. All of the courts and approximately 99 percent of the court-related agencies are located in leased space. The new courthouse will house all the courts and court-related agencies into one Government-owned facility. The remaining space will be occupied by executive agencies.

Site acquisition (\$3,871 thousand) and design (\$3,672 thousand) was funded in fiscal year 1999. Additional site acquisition (\$2,133 thousand) funding was reprogrammed to the project in fiscal year 1999. This direct appropriation request is for additional site acquisition (\$1,500 thousand), construction (\$38,137 thousand) and management and inspection (\$3,078 thousand). The estimated total project cost is \$52,391 thousand.

### **MONTANA**

#### **Raymond - Border Station.....\$577,000**

This project proposes the construction of a new border station at Raymond, MT. The new station will contain 25,671

# General Services Administration PUBLIC BUILDINGS SERVICE

## Construction and Acquisition of Facilities Project Descriptions

gross square feet including canopied areas and inside parking for six vehicles. It will provide expanded office, lobby and storage space, three primary inspection lanes, a secondary inspection building able to accommodate commercial buses and private vehicles, a commercial warehouse with two dock spaces and an enclosed firing range. There will also be larger and more secure parking areas including a fenced impoundment lot for seven vehicles, a commercial lot for ten oversize vehicles which includes two spaces for hazardous vehicles, and a visitor/employee lot for 25 vehicles.

The new facility will replace an existing border station, which is overcrowded, and functionally obsolete. It will be constructed on approximately ten acres of land, using another location on the site of the existing station. The existing station which will be used during construction of the new facilities will be demolished by its current owner and operator the Immigration and Naturalization Service (INS). The current facility is no longer equipped to process the volume of traffic which passes through it and does not meet the existing or future requirements of the tenant agencies in terms of size, efficiency, and security. INS has requested that GSA construct, own and operate a new port of entry at this location to replace the current facility.

This request is for design (\$577 thousand) funding. Funding for construction (\$5,518 thousand) and management and inspection (\$449 thousand) will be requested in a future fiscal year. The estimated total project cost is \$6,544 thousand.

**Eureka/Rossville - Border Station.....\$6,892,000**

This project proposes the construction of a new Rossville border station in Eureka, MT. The border station will contain 26,013 gross square feet including canopied areas and inside parking for six vehicles. It will provide expanded office, lobby and storage space, three primary inspection lanes, a secondary inspection building able to accommodate commercial buses and private vehicles, a commercial warehouse with two dock spaces. There will also be larger and more secure parking areas including a fenced impoundment lot for eight vehicles, a commercial lot for nine oversize vehicles, one space for a handicapped vehicle, and a visitor/employee lot for 25 vehicles.

### **MONTANA - continued**

#### **Eureka/Rossville - Border Station - continued**

The new facility will replace an existing Rossville border station, which is overcrowded, and functionally obsolete. It will be constructed on approximately 15 acres of land, using the two-acre site of the existing station that will be demolished. Temporary off-site inspection facilities will be used during construction. The existing station is no longer equipped to process the volume of traffic which passes through it and does not meet the existing or future requirements of the tenant agencies in terms of size, efficiency, and security.

Funding for site acquisition (\$100 thousand) and design (\$653 thousand) was appropriated in fiscal year 2000. This request is for construction (\$6,335 thousand) and management and inspection (\$557 thousand). The estimated total project cost is \$7,645 thousand.

### **NEW YORK**

**New York - U.S. Mission to the United Nations.....\$58,304,000**

This project will demolish the existing building, known as 799 United Nations Plaza, located in midtown Manhattan, and construct a new facility on the existing site for the consolidation and expansion of the offices and related functions of the U.S. Mission to the United Nations. The new facility will consist of 141,307 gross square feet, including ten inside parking spaces for official diplomatic vehicles, and will house 292 employees.

Design (\$3,163 thousand) was funded in fiscal year 1999. This request is for additional design (\$226 thousand), construction (\$53,984 thousand) which includes \$4,022 thousand for demolition, and management and inspection

# General Services Administration PUBLIC BUILDINGS SERVICE

## Construction and Acquisition of Facilities Project Descriptions

(\$4,094 thousand) which includes \$278 thousand for management and inspection of the demolition. The estimated total project cost is \$61,467 thousand.

### TEXAS

#### **Del Rio III - Border Station.....\$1,832,000**

This project proposes to expand the current border station inspection lanes and provide other border station functions in accordance with Phase III of the site master plan.

This project will provide the Phase III planned improvements/expansion to this Port of Entry on approximately 65 acres of land purchased previously by the General Services Administration. Phase I, the original border station, was constructed in 1968; and Phase II for dock expansion and import lot improvements begun in the mid-1990s. In addition, the project will replace the undersized and 1998 storm damaged main administration building. The project provides 37,900 gross square feet of facilities including canopied areas and outside parking for 170 vehicles.

The planned expansion includes: a 23,000 gross square feet for the Main Administration Building, eight primary and 24 secondary vehicle inspection lanes, a 3,000 gross square feet secondary inspection building, four primary commercial inspection lanes, a 50 bay import dock with a dock office of 9,000 gross square feet, a one bay hazardous materials containment area, kennel space for ten dogs (2,400 gross square feet), and a 500 gross square feet narcotics storage vault. The projected traffic flow and replacement of the storm damaged and undersized administration building necessitate this expansion.

Design (\$1,832 thousand) funding is requested in fiscal year 2001. Funding for construction (\$18,584 thousand), and management and inspection (\$1,728 thousand) will be requested in a future year. The estimated total project cost is \$22,144 thousand.

### TEXAS - continued

#### **Eagle Pass – Border Station.....2,212,000**

This project includes the construction of a new border station, Eagle Pass II, on approximately 40 acres of land to be donated to the General Services Administration by the city of Eagle Pass. Eagle Pass II, is currently operating as the second border station in Eagle Pass as a temporary border station operation. The temporary facilities, located on the city property that is to be donated, will be demolished with the exception of an existing 4,080 gross square feet kennel building. The border station will contain 45,000 gross square feet of new facilities including canopied areas and outside parking for 130 vehicles. The new facilities will include: a 23,245 gross square feet Main Administration Building, eight primary and 24 secondary vehicle inspection lanes, a 3,000 gross square feet secondary inspection building, eight primary commercial inspection lanes, a 75 bay import dock with a 20,200 gross square feet dock office, a four bay rail inspection station with a 600 gross square feet office, and a ten bay export dock with a dock office of 1,200 gross square feet. The temporary border station facilities are undersized for current and projected need, and Government ownership is needed to provide proper security and future operational abilities.

This request is for design (\$2,212 thousand) funding. Funding for construction (\$23,726 thousand) and management and inspection (\$2,170 thousand) will be requested in a future year. The estimated total project cost is \$28,108 thousand.

#### **Fort Hancock - Border Station.....\$2,140,000**

This project proposes the site acquisition for and the design of a new border station at Fort Hancock, TX. The border station will contain 9,659 gross square feet including canopied areas. The new border station will provide two primary

# General Services Administration PUBLIC BUILDINGS SERVICE

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## Construction and Acquisition of Facilities Project Descriptions

inspection lanes, a covered secondary inspection area, exit control facilities, and additional office, lobby and storage space. There will be larger and more secure outside parking areas for 33 vehicles, including a fenced impound lot, a special permit lot, and a visitor/employee lot. Parking will be provided for the following: ten spaces for official parking, 11 employee spaces, three handicapped spaces, two visitor spaces, and seven spaces in the impound lot.

The U.S. Customs Service, Immigration and Naturalization Service, and Animal and Plant Health Inspection Service, have included Fort Hancock on their "Top Ten" list of nationwide border stations in need for replacement and/or major improvement. In addition to the existing facility's inability to handle traffic from the border crossing, the current facility does not have adequate room for safe and efficient handling of alien detainees or for safe secondary inspection of vehicular traffic. There is a need for standard detention cells and safe interview facilities for processing suspected criminals which does not exist at the current facility.

The current outdated facility is extremely inefficient for the necessary inspection service operations which must be performed today. There is inadequate space in the public waiting area and no public rest rooms. In addition, inadequate and undersized support space exists and handicapped accessibility requirements are not met.

Site acquisition (\$45 thousand) and design (\$232 thousand) was appropriated in fiscal year 2000. This request is for construction phase (\$1,954 thousand) and for management and inspection (\$186 thousand). The estimated total project cost is \$2,417 thousand.

### **Houston – Federal Bureau of Investigations.....\$6,145,000**

This project proposes the construction of a new Federal Bureau of Investigations (FBI) facility in Houston, TX. The new FBI facility will be 394,750 gross square feet including 345 indoor and 50 outdoor parking spaces on approximately 8.8 acres. The existing FBI leased office building has a long history of structural problems and inadequate floor loading capacity for the operational needs of the FBI. It has glass curtain wall construction, does not provide sufficient setback from adjacent surrounding streets, and does not feature progressive collapse prevention design or construction.

The central open atrium of the existing leased building is inefficient and is highly restrictive as to layout and space utilization potential. The current lease location issues cannot be resolved sufficiently to meet current FBI security and blast protection needs.

### **TEXAS - continued**

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#### **Houston – Federal Bureau of Investigations - continued**

This request is for site acquisition (\$2,683 thousand) and design (\$3,462 thousand) funding. Funding for construction (\$43,504 thousand) and management and inspection (\$3,210 thousand) will be requested in a future year. The estimated total project cost is \$52,859 thousand.

### **VIRGINIA**

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#### **Richmond - United States Courthouse.....\$19,476,000**

This project proposes the acquisition of approximately two acres of land and the design of a 259,688 gross square foot U.S. Courthouse, including 64 inside parking spaces, in downtown Richmond, VA. The new courthouse will be constructed to meet the ten-year expansion requirements of the courts and court-related agencies. The two acre site will be large enough to support this initial construction project plus any future expansion requirements projected by the courts and court-related agencies.

# General Services Administration PUBLIC BUILDINGS SERVICE

## Construction and Acquisition of Facilities Project Descriptions

The District Court and the court-related agencies are housed in one federally-owned and two leased locations. The majority of space is in the historic Lewis F. Powell United States Courthouse and Annex (Powell Courthouse/Annex) which contains 299,742 gross square feet of space. The Fourth Circuit Court of Appeals will remain in the existing Powell Courthouse/Annex Complex. Upon the relocation of the District Court and related agencies to the new courthouse, the circuit will absorb the released space for chamber suites and for expansion needs of the U.S. Court of Appeals. The new courthouse will house the District and Bankruptcy Courts and court-related agencies. Currently, they occupy space in the Powell Courthouse/Annex and several leased locations. This fragments the court's operation and presents security problems.

This direct appropriation request is for site acquisition (\$15,500 thousand) and design (\$3,976 thousand). Funding for construction (\$49,607 thousand) and for management and inspection (\$3,481 thousand) will be requested in a future fiscal year. The estimated total project cost is \$72,564 thousand.

### WASHINGTON

#### **Seattle - United States Courthouse.....\$177,930,000**

This project proposes construction of a 627,840 gross square foot U.S. Courthouse, including 180 inside parking spaces, in Seattle, WA. The new courthouse will accommodate the ten-year space needs of the courts and court-related agencies.

The new courthouse will house the courts and court-related agencies currently located in the existing building or in leased space. The existing courthouse is currently filled to capacity and can not structurally accommodate any additional courtrooms. Upon completion of the new courthouse, the existing courthouse will be utilized by the Court of Appeals.

Public Law (PL) 102-393 authorized and appropriated \$12,000 thousand for design. This amount was reduced by \$10,949 thousand as a result of the July 27, 1995, rescission action (PL 104-19). Design in the amount of \$5,600 thousand was funded in fiscal year 1996. Site acquisition (\$16,853 thousand) was funded in fiscal year 1997. Escalated site acquisition (\$3,047 thousand) and design (\$3,110 thousand) was provided to this project in fiscal year 1999 from other projects savings. This direct appropriation request is for construction (\$172,240 thousand) and management and inspection (\$5,690 thousand) funding. The estimated total project cost is \$207,591 thousand.

### OTHER ACTIVITIES

#### **Non-Prospectus Projects.....\$3,000,000**

Funds in the amount of \$3,000 thousand are requested for the development of projects below the \$1,990 thousand prospectus threshold. Non-prospectus funds have been used to erect special purpose storage buildings, border station facilities, depot service and warehouse buildings, and a small courthouse. The funds have also been used to acquire a motor pool, build parking lots, purchase sites, build child care facilities, and purchase property in conjunction with a Presidential National Historic Site.

#### **Judgment Fund Repayment.....\$16,734,000**

Funds are requested to reimburse the Department of Treasury for payment of claims against the Federal Building-Courthouse project (\$6,750 thousand) in Los Angeles, CA, and the U.S. Courthouse project (\$9,984 thousand) in

# General Services Administration PUBLIC BUILDINGS SERVICE FEDERAL BUILDINGS FUND

## Explanation of Estimates Repairs and Alterations

New Obligational Authority  
(Dollars in Thousands)

FY 1999 Actual \$681,828 <sup>1</sup>	FY 2000 Current \$665,611 <sup>2</sup>	FY 2001 Request \$721,193 <sup>2</sup>
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<sup>1</sup>Includes \$29,569 thousand of indefinite authority.

<sup>2</sup>Excludes indefinite authority.

Strategic Goals	Strategic Objectives	Performance Goals	Performance Measures
<ul style="list-style-type: none"> <li>Promote responsible Asset Management</li> </ul>	<ul style="list-style-type: none"> <li>Conserve taxpayer investment in real and personal property and maximize the government's return on investment</li> </ul>	<ul style="list-style-type: none"> <li>Improve the percent of repairs &amp; alterations projects completed on schedule</li> <li>Reduce the cost escalation rate for repairs and alterations projects</li> </ul>	<ul style="list-style-type: none"> <li>Percent of repairs &amp; alterations projects completed on schedule (weighted by cost) (Target: 84%)</li> <li>Percent of dollars over budget (Target: 1%)</li> </ul>

### General Program Description

The Repairs and Alterations (R&A) program funds work necessary to keep our building inventory in a proper state of repair, modernize outdated space and facilities, improve health and safety, recapture vacant Government-owned space, and address other special program needs.

### Budget Summary

Highlights
<ul style="list-style-type: none"> <li>\$290,000 thousand for Basic Program</li> <li>\$349,278 thousand for Major Modernization</li> <li>\$10,000 thousand for CFC Replacement</li> <li>\$20,000 thousand for Energy Program</li> <li>\$21,915 thousand for Design Program</li> <li>\$30,000 thousand for Glass Fragment Retention</li> </ul>

Figure 5

We request a total of \$721,193 thousand in new obligatory authority for fiscal year 2001.



# **General Services Administration**

## **PUBLIC BUILDINGS SERVICE**

### **FEDERAL BUILDINGS FUND**

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Our strategic plan gives top priority to investment in our existing Government-owned assets to:

- maintain their economic value;
- ensure our continuing ability to house Federal agencies and support their mission requirements; and
- enable GSA to charge market-comparable Rent rates sufficient to permit needed reinvestment in these assets over their life cycle.

The facilities under our stewardship have a replacement value of about \$33 billion. The repair and upgrade of these assets is always our top priority for capital funds. Without sufficient funds to properly maintain and modernize our buildings, we will fail in our stewardship role and the value of this government resource will decline.

The major alteration program, combined with the basic program, is budgeted at approximately 2.5 percent of the replacement value of PBS's Government-owned inventory. This amount falls in the range of the funding level recommended by the National Research Council and is consistent with private sector practice.

The R&A program consists of the following categories:

- Basic Program (below prospectus level of \$1,990 thousand)
- Major Modernization Projects (prospectus level)
- Chlorofluorocarbon Replacement Program
- Energy Program
- Design Program
- Glass Fragment Retention

#### **Basic Program--\$290,000 thousand**

The current request for basic repairs and alterations work is based on a five year needs assessment of our inventory. We are requesting a funding level of \$290,000 thousand.

The basic program is designed to ensure day-to-day operational continuity of assets in GSA's portfolio. This program is a major component of the "Improve GSA brand" concept through First Impressions, Retail Tenant Services, and Protection projects. The basic program includes work in buildings below the prospectus threshold of \$1,990 thousand for basic repairs, health and life-safety, vacant space recapture, and PBS special programs. The basic program is essential for preserving PBS's capital assets between major reinvestments. PBS's objective is to provide consistent levels of quality space and services that meet the mission-related needs and expectations of client agencies housed in owned capital assets.

The basic program will recapture 921 thousand of vacant square feet at a cost of \$37,800 thousand, which would generate \$20,000 thousand in annual revenue to the FBF. Other categories include fire safety, and seismic work as well as necessary systems repairs essential to the operation of government buildings.

#### **Major Modernization Construction Projects--\$349,278 thousand**

The 14 projects in this category are modernization or alteration projects, which include significant repairs intended to remedy deterioration in essential building systems such as

# **General Services Administration**

## **PUBLIC BUILDINGS SERVICE**

### **FEDERAL BUILDINGS FUND**

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heating, ventilation, air conditioning, plumbing, electrical, elevators, fire safety, and exterior structure. We require space alterations in some cases to recapture vacant space for planned future occupancy and in other instances to remodel space for existing building tenants.

#### **Chlorofluorocarbon (CFC) Replacement--\$10,000 thousand**

This program achieves three goals:

1. Reducing operating expenses. Every year it becomes more expensive to maintain chillers that use CFC cooling agents because CFC's are no longer produced.
2. Prudent replacement of older, less efficient CFC chiller systems.
3. Accomplishing environmental goals - reduction of CFC's.

#### **Energy Program--\$20,000 thousand**

The Energy Policy Act of 1992 requires Federal agencies to reduce energy usage by 20 percent by fiscal year 2000 compared to the fiscal year 1985 base year. Executive Order 12902 stretches this goal and requires agencies to reduce energy consumption by 30 percent by fiscal year 2005, also compared to fiscal year 1985. To meet this initiative, projects with significant energy savings such as: solar hot water and whole building retrofit are essential.

#### **Design Program--\$21,915 thousand**

Our request funds the design of 12 proposed projects. The projects include systems replacement, life safety improvement, and recapture of vacant

space. The construction phase of these line item projects will be requested in future years.

#### **Glass Fragment Retention--\$30,000 thousand**

Our request of \$30,000 thousand funds the additional window protection recommended by the Department of Justice's "Vulnerability Assessment of Federal Facilities." These funds will provide a minimum-security standard of glass fragment retention for windows in Federal buildings. The methods used will protect employees and visitors from flying glass fragments and reduce damage in the event of an explosion.

#### **Asset Investment Strategy**

PBS benchmarks its capital reinvestment level in a manner similar to that used by large real estate firms in the private sector. The PBS asset investment strategy is comprised of three main elements:

- Assessment of the Current Portfolio;
- Economic Analysis; and,
- Asset Investment Priorities.

#### **Assessment of the Current Portfolio**

The investment strategy is based on a "bottom-up", building-by-building analysis of each asset in the PBS inventory. We accomplish this analysis through the use of asset business plans. These plans summarize the operating performance of our buildings, their physical layout, income and expenses, condition and needs, customer satisfaction, and our market and investment strategy for each asset.

# **General Services Administration**

## **PUBLIC BUILDINGS SERVICE**

### **FEDERAL BUILDINGS FUND**

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The asset business plans set forth a strategy for each asset, formulated in light of our tenant agencies' needs and our space profile in any given location. These plans are reviewed and updated continually.

In addition, PBS maintains a program enabling regions, cities, and local planning groups to formally collaborate with PBS and its Federal agency customers as they develop long-term asset plans.

#### **Economic Analysis**

By analyzing the asset business plans, our regional offices recommended those projects considered most critical for inclusion in this budget. Each project is subjected to a detailed economic analysis, including Return on Investment (ROI) that projects the long-term effect of the investment on the FBF. All construction estimates are benchmarked against the private sector. We compare the income stream produced by the investment with other projects and with our existing portfolio return in an effort to properly allocate our investment resources.

Further, the analysis includes a projection of likely R&A expenditures for each asset over the life of the projection period, as well as an estimate of its continuing value to the taxpayer in terms of the comparable market rent our client agencies would be willing to pay.

We evaluated each project proposed for funding in the fiscal year 2001 program as an investment that was minimally required to yield a return in excess of the Department of the Treasury's financial instruments of comparable maturity—in this instance, 30 year bonds. The project proposals included in the fiscal

year 2001 budget request all exceed our Treasury-based "hurdle rate" of 6.1 percent by a comfortable margin. They are also consistent with the specific asset investment priorities we established.

#### **Asset Investment Priorities**

In addition to ROI, the following criteria are used to set and adjust priorities:

1. Maintaining the operational viability of owned assets through day-to-day repairs and alterations to justify charging market rates.
2. Altering vacant space in owned assets to relocate client agencies from more costly lease space into Government-owned space when available, or to provide expansion space.
3. Completing planned modernizations of major buildings to support client agencies' missions and to enhance value.
4. Providing new housing solutions (construction, acquisition and leasing) to meet the changing requirements of client agencies.
5. Protecting the safety and health of tenants and visitors in owned and leased assets.

#### **Considerations for Long-Term Asset Investment**

At both the local and the national levels, PBS's overall strategy accounts for the impact of downsizing occurring within the Federal workforce, the changes in the Federal workplace affecting GSA's real property portfolio, and the types of space and services provided to client agencies. PBS is committed not just to

# **General Services Administration**

## **PUBLIC BUILDINGS SERVICE**

### **FEDERAL BUILDINGS FUND**

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house as many agencies as we can in Government buildings but also to provide the kinds of workplaces required by the Federal workforce as methods and equipment for working change with technology.

Through its long-term asset investment strategy, PBS seeks to accomplish two primary objectives. First, we improve asset utilization by back-filling space in underutilized owned properties from leased space, improving utilization of space throughout the portfolio. We excess properties when it is in the best financial interest of the Federal Government. Second, the impact of social and economic opportunities on local communities is also a consideration in making long-term asset investment decisions.

PBS coordinates its efforts with state and local planning entities and engages the public at large for input and comment. GSA strives to accommodate the views of all state and local groups while providing safe, healthy, and high-quality workspace for Federal agencies.

#### **Performance Plan**

The goal of the R&A program is to aggressively preserve and increase the value of its real estate portfolio, to renovate valued historic structures, and to ensure that buildings operate efficiently and meet agency needs.

#### *Promote Responsible Asset Management*

To assess the performance of our R&A program we track whether our major projects are on schedule, minimize cost escalation and monitor how much non-

income producing space is being eliminated.

On a quarterly basis, we assess the cost and schedule performance of our major renovation projects. Currently, projects representing 76 percent of the total project value are on schedule. Our fiscal year 2001 goal is to execute our major renovation program within the appropriated level and deliver 84 percent of our major projects on schedule. Also, we plan that one percent or less of our project costs be attributed to project escalations.

Included in the Building Operations program performance plan is \$37,800 thousand for the Basic Repairs and Alterations program to recapture 921 thousand square feet of space. \$20,000 thousand is included in the Line Item, Repairs and Alterations program to reduce energy consumption by approximately 1.9 percent. \$48,400 thousand of the Building Operations to support the Information Technology program.

#### **Budget Summary Information**

The following exhibits provide information regarding the overall aspects of the Repairs and Alterations program:

Exhibit 10 - Summary of Fiscal Year 2001 Program

Exhibit 11 - Project Descriptions

**General Services Administration**  
**PUBLIC BUILDINGS SERVICE**

**REPAIRS AND ALTERATIONS**  
**SUMMARY OF FY 2001 PROGRAM**  
(Dollars in Thousands)  
**IN PRIORITY ORDER**

	<u>ESTIMATED TOTAL PROJECT COST</u>				<u>FY 2001 REQUEST</u>			
	<u>DESIGN</u>	<u>CONSTRUCTION</u>	<u>M&amp;I</u>	<u>TOTAL</u>	<u>DESIGN</u>	<u>CONSTRUCTION</u>	<u>M&amp;I</u>	<u>TOTAL</u>
<b>Non Prospectus (Basic) Repairs and Alterations Projects .....</b>	-	290,000	-	290,000	-	290,000	-	290,000
<b>Repairs and Alterations Construction Program</b>								
Washington, DC, Main State Building (Ph III).....	7,831	92,609	6,785	107,225	-	26,835	1,940	28,775
Pittsburgh, PA, U.S. Post Office & Courthouse .....	3,696	50,441	3,703	57,840	-	50,441	3,703	54,144
Detroit, MI, Patrick V. McNamara Federal Building.....	1,734	25,344	1,655	28,733	-	25,344	1,655	26,999
Cincinnati, OH, Potter Stewart U.S. Courthouse.....	1,755	17,131	1,303	20,189	-	17,131	1,303	18,434
Phoenix, AZ, Federal Building-Courthouse.....	2,083	24,263	2,044	28,390	655	24,263	2,044	26,962
Kansas City, MO, Richard Bolling Federal Building.....	1,890	24,010	1,805	27,705	67	24,010	1,805	25,882
Washington, DC, IRS Headquarters (Ph I).....	3,098	48,602	3,569	55,269	-	29,628	2,152	31,780
Reston, VA, J W Powell Federal Building (Ph II).....	1,832	29,827	2,317	33,976	-	21,327	1,666	22,993
Salt Lake City, UT, Wallace F. Bennett Federal Building.....	1,669	19,094	1,604	22,367	501	19,094	1,604	21,199
Omaha, NE, Zorinsky Federal Building (Ph I).....	3,119	42,280	3,358	48,757	322	42,280	3,358	45,960
Santa Ana, CA, Federal Building [D/B].....	236	26,875	753	27,864	236	26,875	753	27,864
Kansas City, MO, Federal Building, 8930 Ward Parkway.....	793	8,318	646	9,757	-	8,318	646	8,964
Woodlawn, MD, SSA National Computer Center - Utility Building.....	1,918	24,914	1,943	28,775	1,918	424	1,943	4,285
New York, NY, 40 Foley Square.....	275	4,584	178	5,037	275	4,584	178	5,037
<b>Repairs and Alterations Construction Program Subtotal.....</b>	<b>31,929</b>	<b>438,292</b>	<b>31,663</b>	<b>501,884</b>	<b>3,974</b>	<b>320,554</b>	<b>24,750</b>	<b>349,278</b>
Chlorofluorocarbons Program (various locations) (Design/Build).....	7,350	700,000	24,290	731,640	256	8,956	788	10,000
Energy Program (various locations) .....	23,748	264,400	17,070	305,218	256	18,956	788	20,000
<a href="#">Design Program (see attached listing for specific projects).....</a>	21,915	305,588	22,336	349,839	21,915	-	-	21,915
Glass Fragment Retention.....	-	100,000	-	100,000	-	30,000	-	30,000
<b>Total</b>	<b>84,942</b>	<b>2,098,280</b>	<b>95,359</b>	<b>2,278,581</b>	<b>26,401</b>	<b>668,466</b>	<b>26,326</b>	<b>721,193</b>

**General Services Administration  
PUBLIC BUILDINGS SERVICE**

**REPAIRS AND ALTERATIONS  
Summary of FY 2001 Design Program  
(Dollars in Thousands)  
IN PRIORITY ORDER**

	<u>ESTIMATED TOTAL PROJECT COST</u>				<u>FY 2001 REQUEST</u>			
	<u>DESIGN</u>	<u>CONSTRUCTION</u>	<u>M&amp;I</u>	<u>TOTAL</u>	<u>DESIGN</u>	<u>CONSTRUCTION</u>	<u>M&amp;I</u>	<u>TOTAL</u>
<b>Repairs and Alterations Design Program:</b>								
Pittsburgh, PA, William S. Moorhead FB.....	3,464	54,476	4,365	62,305	3,464	-	-	3,464
Suitland, MD, FOB 3.....	5,200	77,097	5,803	88,100	5,200	-	-	5,200
Tallahassee, FL, CT .....	518	4,322	401	5,241	518	-	-	518
New Haven, CT, Robert N. Giaimo FB.....	987	12,647	847	14,481	987	-	-	987
Muskogee, OK, CT.....	823	7,470	675	8,968	823	-	-	823
Davenport, IA, CT.....	790	7,944	643	9,377	790	-	-	790
St. Louis, MO, 104/105 Goodfellow FB.....	1,208	14,057	1,085	16,350	1,208	-	-	1,208
Cleveland, OH, Anthony J. Celebrezze FB.....	1,464	19,573	1,338	22,375	1,464	-	-	1,464
Cleveland, OH, Howard M. Metzenbaum CT.....	1,545	20,865	1,422	23,832	1,545	-	-	1,545
Milwaukee, WI, CT.....	774	8,781	625	10,180	774	-	-	774
Washington, DC, GSA-ROB.....	3,770	56,887	3,887	64,544	3,770	-	-	3,770
Chicago, IL, 536 Clark Street FB.....	1,372	21,469	1,245	24,086	1,372	-	-	1,372
<b>Total</b>	<b>21,915</b>	<b>305,588</b>	<b>22,336</b>	<b>349,839</b>	<b>21,915</b>	<b>-</b>	<b>-</b>	<b>21,915</b>

# General Services Administration PUBLIC BUILDINGS SERVICE

## Repairs and Alterations FY 2001 Construction Phase Project Descriptions

### VARIOUS LOCATIONS

#### Chlorofluorocarbons Program.....\$10,000,000

This design/build program request will provide for projects during fiscal year 2001 as the sixth phase of a multi-year program to replace or retrofit existing air-conditioning equipment, which presently use chlorofluorocarbon (CFC) refrigerants. These CFC's, when vented or lost to the atmosphere, reduce the protective stratospheric ozone layer.

Scientific findings indicate that CFC emissions are depleting the stratospheric ozone layer, which leads to increased and harmful quantities of ultraviolet radiation reaching the earth's surface. The Clean Air Act Amendments of 1990 (CAAA), (Public Law 101-549) established a phase-out schedule and yearly reduction percentages for ozone depleting chemicals. The amendment promotes recycling, bans the deliberate venting or releasing of refrigerants during maintenance, service, repair or disposal; restricts emission of refrigerants; and establishes strict control over their use. In February 1992, the phase-out of the more adverse ozone-depleting refrigerants was accelerated from the year 2000, which was established by the CAAA, to the end of 1995.

The estimated total program cost (in thousands) is as follows:

	<u>Design</u>	<u>Construction</u>	<u>M&amp;I</u>	<u>Total</u>
Current Funding	\$1,164	\$ 96,587	\$ 3,518	\$101,269
FY 2000	\$ 205	\$ 4,212	\$ 583	\$ 5,000
<b>FY 2001 Request</b>	<b>\$ 256</b>	<b>\$ 8,956</b>	<b>\$ 788</b>	<b>\$ 10,000</b>
Future Years	<u>\$5,725</u>	<u>\$590,245</u>	<u>\$19,401</u>	<u>\$615,371</u>
Total	\$7,350	\$700,000	\$24,290	\$731,640

#### Energy Program.....\$20,000,000

This request will provide for the implementation of energy retrofit and conservation measures in Government-owned buildings during fiscal year 2001. The projects to be funded will have savings-to-investment ratios greater than one, and will provide reasonable payback periods that average five years.

The Federal Energy Management Improvement Act (Public Law 100-615) requires Federal agencies to reduce energy consumption by 10 percent by the end of FY 1995. Further, the Energy Policy Act of 1992 requires that all federal agencies reduce energy consumption by 20 percent by the year 2000. In addition, Executive Order 13123 requires federal agencies to take actions to reduce energy consumption by 30 percent by the year 2005 and by 35 percent by fiscal year 2010. GSA met the 10 percent goal in 1995 and has been pursuing actions towards the FY 2000 goal. At the end of fiscal year 1999, GSA had reduced energy consumption by 17.4 percent. We expect that at the end of fiscal year 2000 our consumption will be reduced by 20 percent compared to the 1985 baseline. By investing \$20 million in cost effective energy projects in fiscal year 2001, GSA will reduce energy consumption by approximately 1.9 percent, representing a cost avoidance of \$3.8 million and moving us towards meeting the 35 percent reduction goal of 2010.

The estimated total program cost (in thousands) is as follows:

	<u>Design</u>	<u>Construction</u>	<u>M&amp;I</u>	<u>Total</u>
Current Funding	\$ 3,414	\$ 65,818	\$ 2,990	\$ 72,222
FY 2000	\$ 205	\$ 16,721	\$ 583	\$ 17,509
<b>FY 2001 Request</b>	<b>\$ 256</b>	<b>\$ 18,956</b>	<b>\$ 788</b>	<b>\$ 20,000</b>
Future Years	<u>\$19,873</u>	<u>\$162,905</u>	<u>\$12,709</u>	<u>\$195,487</u>
Total	\$23,748	\$264,400	\$17,070	\$305,218

# General Services Administration PUBLIC BUILDINGS SERVICE

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## Repairs and Alterations FY 2001 Construction Phase Project Descriptions

### VARIOUS LOCATIONS - continued

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#### Glass Fragment Retention .....\$30,000,000

Executive Order 12977, establishes the need to increase the security measures in Federal facilities with high-volume public contact and high-risk agencies. On June 28, 1995, the DOJ issued security enhancement recommendations in a report entitled "Vulnerability Assessment of Federal Facilities" which the President directed all executive departments and agencies to implement the recommendations. The report recommended that GSA provide as a minimum standard glass fragment retention for windows in Level IV Federal buildings. Level IV buildings are facilities that have over 450 employees. In addition, the facility likely has more than 150,000 square feet, high-volume public contact and contains high-risk law enforcement and intelligence agencies.

The application of a polymer film to windows will protect employees and visitors from flying glass fragments and reduce the possibility of damage due to flying glass fragments in the event of an explosion. Some buildings, however, may require alternative systems such as laminated glass, polycarbonate sheeting, blast curtains or fine metal mesh screens.

### ARIZONA

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#### Phoenix - Federal Building-Courthouse.....\$26,962,000

This project consists of initial space alterations to recapture vacant space, and upgrades to building systems related to tenant occupancy in the Phoenix Federal Building and U.S. Courthouse. The building provides 298,567 gross square feet of space and is located at 230 North First Street in the central business district of Phoenix, AZ. Constructed in 1962, the building has 8 floors, a full basement and 129 outside parking spaces.

The initial space alterations together with companion system work (elevators, electrical, air-handlers, plumbing, etc.) will provide space for the U.S. Bankruptcy Court, the Department of Housing and Urban Development, and the Department of Agriculture. These tenants will backfill the building when the U.S. District Court and related court agencies relocate to a new court facility in the spring of 2000.

Design (\$1,428 thousand) was funded in fiscal year 2000. This request is for additional design (\$655 thousand), construction (\$24,263 thousand) and management and inspection (\$2,044 thousand). The estimated total project cost is \$28,390 thousand.

### CALIFORNIA

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#### Santa Ana – Federal Building.....\$27,864,000

This building, located at 34 Civic Center, was built in 1975 and contains 255,952 gross square feet, including 124 inside and 131 outside parking spaces.

This project proposes structural and non-structural upgrades due to seismic deficiencies, conversion and realignment of the recently vacated courtrooms to general office space, building wide accessibility code compliance, fire and hardware upgrade, and hazardous material abatement. As of January 1999, the anchor tenants of the building, the U.S. Courts and U.S. Marshals Service relocated to the newly built Ronald Reagan Courthouse. Therefore, recapturing vacant space, and providing the tenants with contiguous space, reconfiguration and conversion of the courtrooms to general space is necessary. Accessibility compliance and hazardous material abatement also will have to be corrected as an integral part of this alteration project.

This request is for design (\$236 thousand), construction (\$26,875 thousand), and management and inspection (\$753



**General Services Administration  
PUBLIC BUILDINGS SERVICE**

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**Repairs and Alterations  
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thousand). The estimated total project cost is \$27,864 thousand.

# General Services Administration PUBLIC BUILDINGS SERVICE

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## Repairs and Alterations FY 2001 Construction Phase Project Descriptions

### DISTRICT OF COLUMBIA

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#### **Main State Department Federal Building Phase III.....\$28,775,000**

This project proposes funding for Phase III of the modernization of the U.S. Main State Department Building located at 2201 C Street, NW, in Washington, DC. The original portion of the building, known as the "Old Building", was built in 1939. It was originally designated the War Department Building and is listed on the National Register of Historic Places as a Class I Historical Landmark. An addition, known as the "New Building" was constructed in 1960 thus completing the complex as it stands today. The complex provides a total of 2,598,735 gross square feet of space and 905 inside parking spaces and houses 7,310 personnel.

The building serves as the headquarters of the State Department and the Arms Control and Disarmament Agency (ACDA). A previous tenant, the Agency for International Development (AID), has relocated to the newly constructed Ronald Reagan Building. This has resulted in vacant space. Further vacancies related to the backfilling of the nearly completed renovation of the Columbia Plaza building would increase the vacant space.

The overall project concentrates on renovation of the Old War Department Building and a portion of the New Building, covering approximately 1,113,000 gross square feet of space.

Design funding (\$7,831 thousand) was provided in fiscal years 1991, 1995, and 1996 in the Design and Construction Services activity. Funding for phases I and II construction (\$29,779 thousand and \$10,511 thousand respectively) were provided in FY 1999 and FY 2000 respectively. This request is for phase III construction (\$26,835) thousand) and management and inspection (\$1,940 thousand). The balance of project funding (\$28,250 thousand) for construction and (\$2,079 thousand) for management and inspection will be requested in several more phases in future fiscal years. The total project cost is \$107,225 thousand.

#### **Internal Revenue Service Federal Building.....\$31,780,000**

The Internal Revenue Service (IRS) Building is located at 1111 Constitution Avenue, NW, Washington, DC. This building was constructed between 1928 and 1936. It provides 1,384,750 gross square feet of space, including 78 inside parking spaces. It is on the National Register of Historic Places.

This project will upgrade obsolete building systems and replace the collapsing basement floor slab with a reinforced concrete slab. The basement floor slab currently is collapsing at several locations due to continual soil settlements. The deteriorated piping systems underneath the basement floor and building moats will be replaced. All outdated mechanical and electrical systems located on the basement level associated with the floor slab work will be replaced. The main electrical incoming service along with five substations that serve the electrical needs of the entire building will be replaced. It will provide improvement in fire and life safety conditions by installing a new sprinkler system throughout the building. All toilet facilities and plumbing systems from the first through seventh floors will be replaced. The masonry/stone exterior of the building will be cleaned and repainted.

Design (\$3,098 thousand) was funded in fiscal year 1999. This request is for phase 1 construction (\$29,628 thousand) and management and inspection (\$2,152 thousand). Phase 2 construction (\$18,974 thousand) and management and inspection (\$1,417 thousand) will be requested in a future fiscal year. The estimated total project cost is \$55,269 thousand.

### MARYLAND

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# General Services Administration PUBLIC BUILDINGS SERVICE

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## Repairs and Alterations FY 2001 Construction Phase Project Descriptions

### **Woodlawn – SSA National Computer Center – Utility Building.....\$4,285,000**

The National Computer Center (NCC) is located in Woodlawn, Maryland, in the Social Security Administration (SSA) Headquarters Complex. This building was constructed in 1979 and occupied in 1980. The building contains 458,802 gross square feet of space and is five stories high. It houses 1,862 employees and has 630 outside parking spaces.

### **MARYLAND - continued**

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### **Woodlawn – SSA National Computer Center – Utility Building – continued**

The Utility Building is also located in Woodlawn, Maryland, in the SSA Headquarters Complex. It is located immediately east of the NCC and is connected to it by a concrete truck apron/driveway and buried service piping. This building was constructed in 1979 and occupied in 1980. It provides 47,104 gross square feet of space and has one story. The building houses 9 employees and has no parking. Housed in the Utility Building are the backup generators for both buildings and the primary heating and cooling equipment for the NCC.

This project provides for the replacement and upgrade of the existing generator plant, installation of a remote control panel and the replacement of the main switchgear housed in the Utility Building of the NCC. The existing generator plant

functions as the secondary source of power for the NCC. It also serves as a source of emergency power to the remaining buildings on the campus (the entire campus is comprised of 10 buildings). The generator plant is currently comprised of three liquid fueled generators, each with a 5.8 megawatt capacity. These generators will be replaced and a fourth added. Each generator will have an increased capacity of 10.5 megawatts.

This project will be split funded. GSA will fund, \$4,285,000, the portion of the project attributable to one emergency generator and the replacement of the main switchgear. SSA will fund, \$24,490,000, the portion of the project related to their agency mission.

This request is for design (\$1,918 thousand), construction (\$424 thousand), and management and inspection (\$1,943 thousand). SSA will fund the remaining balance (\$24,490 thousand). The estimated total project cost is \$28,775 thousand.

### **MICHIGAN**

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### **Detroit – Patrick V. McNamara Federal Building.....\$26,999,000**

This project consists of the modernization of a portion of the P.V. McNamara Federal Building (FB), 477 Michigan Avenue, Detroit, MI, to meet the expansion needs of the Federal Bureau of Investigation (FBI) Detroit Field Office. Built in 1974, the 27 story building houses nearly 3,800 Federal employees. The building contains 1,104,870 gross square feet.

The FB, now in its third decade of operation, has never undergone a full or partial building modernization. HVAC, electrical, elevator and plaza improvements are needed, as most systems are original to the building. The inadequate distribution of suitably conditioned air is exacerbated by an outdated and inefficient temperature control system. The electrical distribution system is insufficient to meet building demand and does not provide adequate protection in the event of power loss. The elevators are nearing the end of their useful lives and are in need of modernization to insure safety, reliability, and handicapped accessibility. The restrooms require renovation to comply with the Americans with Disabilities Act. The concrete plaza is severely deteriorated and requires upgrades to prevent further serious water damage to the lower levels of the building. In addition, this project will allow the FBI to meet their expansion requirements and as a result the recapture of 85,537 rentable square feet of vacant space in the building.

Design funding (\$1,734 thousand) was funded in fiscal year 2000. This request is for construction (\$25,344 thousand)

# General Services Administration PUBLIC BUILDINGS SERVICE

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## Repairs and Alterations FY 2001 Construction Phase Project Descriptions

and management and inspection (\$1,655 thousand). The estimated total project cost is \$28,733 thousand.

### MISSOURI

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#### **Kansas City - Richard Bolling Federal Building.....\$25,882,000**

Constructed in 1965, the Bolling Federal Building has 18 stories above ground and provides 1,232,550 gross square feet of space plus 106 inside and 436 outside parking space. The building has over 5,000 occupants.

This project consists of critical systems improvements and space alterations necessary to reoccupy floors 15-18. It will also bring these floors into compliance with the many requirements of ADA. A 34-year-old roof will be replaced; asbestos and lead paint contaminants will be abated. Significant vacant space will be recaptured from the relocations of FAA and

#### **MISSOURI - continued**

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#### **Kansas City – Richard Bolling Federal Building - continued**

Dept. of Commerce's Aviation Weather Center. The space will be back-filled by federal tenant's currently housed in leased space.

Design (\$1,823 thousand) was funded in fiscal year 1999. This request is for additional design (\$67 thousand), construction (\$24,010 thousand), and management and inspection (\$1,805 thousand). The estimated total project cost is \$27,705 thousand.

#### **Kansas City – Federal Building .....\$8,964,000**

This project consists of the renovation of the Federal Building at 8930 Ward Parkway in Kansas City, MO. The building was constructed in 1962 and is a three-story structure with brick facade, fixed perimeter windows, and flat roof.

The project includes replacing a majority of the HVAC system and installing new air handler units, ductwork, controls, piping, and all necessary accessories. Stairways and exit vestibules will be reconstructed to meet fire code requirements. All existing exterior windows will be replaced except those in the immediate area of the main computer area. These windows will be bricked over for security reasons. Some landscaping and surface parking improvements will be completed.

Interior space will be renovated, including installation of raised access flooring and a new passenger elevator. Various electrical panel boards will be upgraded, and some seismic bracing is also included in the project.

The Internal Revenue Service and the Department of Education will relocate from leased space to backfill vacant space resulting from the U. S. Department of Agriculture, Farm Services agency's consolidation.

Design funding (\$793 thousand) was funded in fiscal year 2000. This request is for construction (\$8, 318 thousand) and management and inspection (\$646 thousand). The total project cost is \$9,757 thousand.

### NEBRASKA

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#### **Omaha - Edward Zorinsky Federal Building - U.S. Post Office-Courthouse.....\$45,960,000**

The Edward Zorinsky Federal Building, U. S. Post Office and Courthouse (FB-PO-CT) was constructed in 1960 on a site located on the north side of the Central Business District. The building provides a gross area of 415,567 square feet and has 17 outside parking spaces. The FB-PO-CT currently houses the district court and court-related agencies, the United States Army Corps of Engineers (Corps), the Internal Revenue Service, the Department of Navy, the U. S. Postal Service and the General Services Administration.

# General Services Administration PUBLIC BUILDINGS SERVICE

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## Repairs and Alterations FY 2001 Construction Phase Project Descriptions

The FB-PO-CT was completed in 1960 and has had no major improvements throughout the life of the building. All areas show signs of aging and are in need of general improvements.

This building is one of the few remaining high-rise Federal buildings without total fire sprinkler coverage. In addition, the existence of asbestos in fireproofing, plaster, pipe insulation and floor tiles impedes required tenant space alteration. The proposed improvements will maximize building performance to satisfy current codes and regulations while enhancing the user environment.

The timing of this modernization coincides with the availability of a significant amount of vacant space due to the relocation of the district court and court-related agencies to the new courthouse. Three floors of the FB-PO-CT will be vacated by the courts in fiscal year 1999, providing the swing space necessary for the modernization project are complete. The Corps, the major tenant in this building, has indicated for some time the need to consolidate its space in Omaha. The Corps' operation has grown considerably in the past several years and as a result, it now also occupies space in two leased locations. Modernization of the FB-PO-CT will enable the Corps to consolidate its functions into one location.

Design (\$2,797 thousand) was funded in fiscal year 1999. This request is for additional design (\$322 thousand), construction (\$42,280 thousand) and management and inspection (\$3,358 thousand). The estimated total project cost is \$48,757 thousand.

### NEW YORK

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#### **New York – 40 Foley Square.....\$5,037,000**

Constructed in 1936, the U.S. Courthouse located at 40 Foley Square, is constructed of steel and stone. This building is 30 stories and provides 597,025 gross square feet of office and courtroom space, 23 inside and 9 outside parking spaces.

It is considered a Heritage asset, listed on the National Register of Historic Places. It houses 598 federal employees and is planned for long-term retention.

This asset was constructed over 60 years ago and does not have a central air conditioning system. The non-integrated air-handling components are either noticeably worn or inoperable, causing poor air distribution and filtration of tenants.

This proposed HVAC upgrades would improve the economic life of the building and help to preserve this heritage asset. It will also improve the quality of service provided to tenant agencies, enabling GSA to continue to utilize this asset and improve customer satisfaction.

This request is for design (\$275 thousand) construction (\$4,584 thousand) management and inspection (\$178 thousand). The estimated total project cost is \$5,037 thousand.

### OHIO

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#### **Cincinnati – Potter Stewart Courthouse.....\$18,434,000**

The Potter Stewart Courthouse was constructed in 1939 and is located at 100 East Fifth Street, Cincinnati, OH. The ten-story building contains 499,841 gross square feet of space, and is eligible for inclusion on the National Register of Historic Places. It currently houses 321 employees and has 20 outside parking spaces. Recently, it was named in honor of the Honorable Judge Potter Stewart, a former U.S. Supreme Court Justice. The Potter Stewart Courthouse is the headquarters for the Sixth Circuit in Cincinnati. The Judiciary will remain the building's anchor tenant, provided its long-term expansion needs are met.

# General Services Administration PUBLIC BUILDINGS SERVICE

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## Repairs and Alterations FY 2001 Construction Phase Project Descriptions

This project consists of a court reorganization and expansion. The proposed Court expansion/reorganization project includes the construction of one new District courtroom, chambers, a conference room that can be converted to a courtroom and chambers in the future, Circuit Court chambers, Magistrate facility, and additional space for Pre-Trial, Automation, Staff Attorney, Circuit Executive, and Clerk of the Court. This project also proposes mechanical and electrical upgrades throughout the building to support the needs of the Courts.

Design (\$1,755 thousand) was funded in fiscal year 1996. This request is for construction (\$17,131 thousand) and management and inspection (\$1,303 thousand). This estimated total project cost is \$20,189 thousand.

### PENNSYLVANIA

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#### **Pittsburgh - U.S. Post Office and Courthouse.....\$54,144,000**

The U.S. Post Office and Courthouse was completed in 1934 and is listed on the National Register of Historic Places. The structure provides 809,719 gross square feet, including 117 inside and 31 outside parking spaces for 997 personnel.

This project will recapture vacant space and provide the needed expansion for the U.S. Courts. Major alterations are required to upgrade the buildings exterior, plaza and parking ramp; improve interior finishes of offices and courtrooms; install fire safety systems, including expansion of the sprinkler system utilizing existing standpipes; and restore some historically significant features of the building. This will include restoration and expansion to the severely undersized main lobby to greatly improve its functionality, security flow. Alterations will bring the facility into compliance with the Uniform Federal Accessibility Standards and current Federal fire and life safety standards. Selective building systems will be upgraded, including HVAC, electrical and plumbing. Asbestos and lead paint will be removed in areas where they are impacted during renovation.

### PENNSYLVANIA - continued

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#### **Pittsburgh - U.S. Post Office and Courthouse - continued**

The major work item is the interior space renovations associated with recapturing all the vacant space and with constructing the new courtrooms in the light-wells. Others are the upgrade of the various building systems, repairs to the building exterior and plaza and the correction of security and circulation issues.

Funding for design (\$3,696 thousand) was provided in fiscal year 1999. This request is for construction (\$50,441 thousand) and management and inspection (\$3,703 thousand). The estimated total project cost is \$57,840 thousand.

### UTAH

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#### **Salt Lake City - Bennett Federal Building.....\$21,199,000**

This project consists of structural and non-structural seismic upgrades, space alterations to recapture vacant space, and the provision of electrical grounding in the Wallace F. Bennett Federal Building (FB), 125 S. State Street, Salt Lake City, Utah. This building will continue to house the current primary client agencies, which include the Bureau of Reclamation, Veterans Administration, U.S. Circuit Court of Appeals, and the U.S. Forest Service. The FB was designed in 1961 and occupied in 1964. It has a gross area of 368,121 square feet with 82 inside parking spaces.

This project will provide structural and non-structural seismic upgrades to ensure the life-safety of the building occupants. Salt Lake City is in a Seismic Zone 3 as identified by the 1997 Uniform Building Code (UBC). The seismic assessment of the FB, based on the criteria of the Facilities Standards for the Public Buildings Service, indicates that the building has a seismic rating of very poor. The building has a seismic strength significantly less than 80 percent of the required capacity for UBC Zone 3 and therefore needs to be upgraded to that level. The preferred method for

# General Services Administration PUBLIC BUILDINGS SERVICE

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## Repairs and Alterations FY 2001 Construction Phase Project Descriptions

upgrading the building is to add four 25'x50' building modules (two modules on the north side and two modules on the south side) to the structure to provide increased lateral strength. This concept will allow for the least disruption to the clients, have the shortest construction phase and is the least expensive option.

The project will also provide grounding for electrical power distribution and telecommunication systems to ensure the life safety of the building's occupants and recapture vacant space on the third floor of the FB, increasing the productive use of the asset.

Design (\$1,168 thousand) was funded in fiscal year 1999. This request is for additional design (\$501 thousand) construction (\$19,094 thousand), and management and inspection (\$1,604 thousand). The estimated total project cost is \$22,367 thousand.

### **VIRGINIA**

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#### **Reston - J.W. Powell Building.....\$22,993,000**

The J.W. Powell Building was constructed in 1972 in Reston for the purpose of housing approximately 2,400 United States Geological Survey (USGS) personnel. It provides 968,787 gross square feet of space, including 1,600 outside parking spaces

This project consists of a modernization to upgrade the laboratory fire and life safety systems, as well as safety improvements to the building as a whole. Improvements to the laboratory will include the creation of designated hazard zones along with installation of secondary exits, emergency showers, and eye wash stations. Modernization is also planned for the building's electrical, mechanical and plumbing systems servicing the laboratories.

Phase II will complete the remaining general building and laboratory sections, plus remaining infrastructure items such as roof work, screen walls, stack extensions and piping connections for the building acid neutralization facility.

Design (\$1,832 thousand) was funded in fiscal year 1996. Phase 1 construction (\$8,500 thousand) and management and inspection (\$651 thousand) were funded in fiscal year 1999. This request is for phase 2 construction (\$21,327 thousand) and management and inspection (\$1,666 thousand). The estimated total project cost is \$33,976 thousand.

# General Services Administration PUBLIC BUILDINGS SERVICE

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## Repairs and Alterations Descriptions of Projects Scheduled for FY 2001 Design

### CONNECTICUT

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#### **New Haven - Robert N. Giaimo Federal Building.....\$987,000**

This project proposes the modernization of the Robert N. Giaimo Federal Building (FB) located at 150 Court Street in New Haven, CT. The Giaimo FB was built in 1977 and houses 462 employees. The FB contains 191,578 gross square feet of space and includes 84 paved outside parking spaces for the 1,771 building tenants.

This project will fit-out vacant space for new tenants and recapture space vacated as a result of the FBI moving to a leased facility. Major work will include exterior and seismic work, space alterations, interior upgrades and hazardous material abatement. Other purposes of the project include: upgrading various building components to correct existing deficiencies, including bringing the building into compliance with the Americans with Disabilities Act (ADA) and the Uniform Federal Accessibility Standards (UFAS).

This request (\$987 thousand) is for design. The balance of funding, for construction (\$12,647 thousand), and management and inspection (\$847 thousand), will be requested in a future fiscal year. The estimated total project cost is \$14,481 thousand.

### DISTRICT OF COLUMBIA

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#### **General Services Administration – Regional Office Building.....\$3,770,000**

The GSA – Regional Office Building, located at 7<sup>th</sup> and D Streets, SW, was built in 1933 as a warehouse and later converted into an office building. The building contains 832,869 gross square feet, including 88 inside parking spaces and 77 outside parking spaces. The building houses 2,400 employees of the Department of Education, Department of Defense print facility, and GSA.

The Performance Based Organization of the Department of Education will be vacating the building and relocating into leased space. This new organization requires additional space, due to the increase of personnel, which can not be accommodated in the existing facility. This relocation provides an opportunity for GSA to perform the necessary systems and fire and life safety work. Once the design is complete, GSA will consider a candidate to backfill the space vacated by the Department of Education.

This project will provide major systems upgrade including HVAC, electrical and plumbing systems throughout the building. The exterior surface and window repairs will contribute to energy savings in addition to alleviating fluctuating indoor temperature. Sprinklers will be installed throughout the building in all areas without adequate coverage.

This request (\$3,770 thousand) is for design. The balance of funding, for construction (\$56,887 thousand), and management and inspection (\$3,887 thousand), will be requested in a future fiscal year. The estimated total project cost is \$64,544 thousand.

### FLORIDA

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#### **Tallahassee - Courthouse.....\$518,000**

GSA proposes the modernization of the U.S. Courthouse (CT) in Tallahassee. The CT is located in Central Business District of Florida's capital city. The CT, in conjunction with the construction of the U.S. Courthouse Annex to the north of the existing building, will provide for the long term requirements of the courts and courts related agencies. This



# General Services Administration PUBLIC BUILDINGS SERVICE

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## Repairs and Alterations Descriptions of Projects Scheduled for FY 2001 Design

alteration project provides 59,976 gross square feet of space and houses 38 employees. The District Court, magistrate and District clerk will be relocating from the existing courthouse to the new annex. The bankruptcy and U.S. Trustee Offices will be relocating from leased space into the renovated courthouse once completed.

### **FLORIDA - continued**

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#### **Tallahassee – Courthouse - continued**

The project will upgrade and modernize the outdated building systems. The work includes rehabilitating existing wood windows and interior storm panes; renovating and refinishing the interior of the building. Major work to mechanical and plumbing systems installations, ensuring ADA compliance, fire safety improvements, installation of new electrical system, refurbish existing elevators, installing a sprinkler system; performing landscaping improvements; and patching cracks and coating the exposed concrete of the stair/elevator addition.

This request (\$518 thousand) is for design. The balance of funding, for construction (\$4,322 thousand), and management and inspection (\$401 thousand), will be requested in a future fiscal year. The estimated total project cost is \$5,241 thousand.

### **ILLINOIS**

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#### **Chicago – 536 Clark Street Federal Building.....\$1,372,000**

This project proposes alterations in the Federal Building, located at 536 S. Clark Street, Chicago, IL. The Federal Building was built in 1912, is eligible for historic status, and houses 3,203 employees. The building contains 593,641 gross square feet of space.

The project will provide tenant alterations to consolidate the Federal Bureau of Investigation's Chicago Field Office from several locations within Chicago to Federally owned space. Restrooms will be made fully compliant with Americans with Disabilities Act regulations, asbestos abatement/containment will be completed in all areas requiring alteration, and the mechanical and electrical systems in the building will be upgraded.

This request (\$1,372 thousand) is for design. The balance of funding for construction (\$21,469 thousand), and management and inspection (\$1,245 thousand), will be requested in a future fiscal year. The estimated total project cost is \$24,086 thousand.

### **IOWA**

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#### **Davenport - Federal Building - Courthouse.....\$790,000**

The Federal Building and U. S. Courthouse (FB-CT) was constructed in 1933 to serve as the main post office in Davenport as well as house Federal Courts and executive agencies in the city. The building consists of three floors above grade and a basement, with 20 onsite outside parking stalls. The building contains 74,237 gross square feet. This alteration project would increase the building size to 76,762 gross square feet.

Alterations and minor building expansion will provide two new courtrooms, new vehicle sally port, new holding cells, new judges' chambers, as well as new office space for Probation, U. S. Marshals and U. S. Attorney.

# General Services Administration PUBLIC BUILDINGS SERVICE

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## Repairs and Alterations Descriptions of Projects Scheduled for FY 2001 Design

Currently the court facilities in this building are makeshift. The courtrooms are inadequately sized and decades behind the standard courts requirements. Chambers and clerk areas are similarly lacking in standard courts operational requirements. The Marshals cannot handle prisoners for criminal trials in accordance with security standards. These deficiencies have led to docketing cases in the Federal Courthouse in Des Moines, IA, approximately 150 miles away.

### **IOWA - continued**

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#### **Davenport - Federal Building - Courthouse - continued**

Prisoner transfer between the cities has compounded the difficulties. As caseloads increase, this practice becomes increasing untenable, inefficient and detrimental to all parties in the case.

Alteration and minor building expansion will provide 2 new courtrooms, new vehicle sally port, new holding cells, new judges' chamber, as well as new office space for Probation, U. S. Marshals and U. S. Attorney.

This request (\$790 thousand) is for design. The balance of funding, for construction (\$7,944 thousand), and management and inspection (\$643 thousand), will be requested in a future fiscal year. The estimated total project cost is \$9,377 thousand.

### **MARYLAND**

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#### **Suitland - Federal Office Building 3.....\$5,200,000**

The Federal Office Building 3 (FOB 3) is located at the Suitland Federal Center in Suitland, MD. The building was completed in 1942 and is eligible for inclusion on the National Register of Historic Places. FOB 3 contains 731,311 gross square feet, with 1,681 outside parking spaces and house 2,417 personnel. FOB 3 serves as the headquarters for the Commerce Department's Bureau of the Census.

The Bureau of Census has critical timing issues due to the cyclical buildup and release of employees around the decennial census.

The building requires the repair and/or replacement of wall, floor, and ceiling finishes and clean up work each year due to multiple plumbing leaks. The building systems are inadequate and present serious fire and life safety issues. FOB 3 does not meet current GSA standards for ventilation air, fire and life safety, or accessibility for the physically challenged. Without the proposed FOB 3 systems modernization, the Bureau of the Census will not be able to perform its mission during the next decennial Census.

There are two options for this design proposal.

The first option is a full building modernization of FOB 3, including tenant improvements. A full modernization would include relocation of the building systems, gaining approximately 80,000 rentable square feet in the building.

The second option, would provide in addition to the full modernization of the existing building, the in-fill of six courtyards in FOB 3. This would add approximately 138,000 rentable square feet to the existing building. Combined with the 80,000 rentable square feet resulting from the full renovation of the existing structure, the total rentable area of the building would be increased to approximately 794,000 rentable square feet, 38 percent above the current 576,058

# General Services Administration PUBLIC BUILDINGS SERVICE

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## Repairs and Alterations Descriptions of Projects Scheduled for FY 2001 Design

rentable square feet.

The estimated total project cost indicated above reflects the funding requirements of the full building modernization and the proposed in-fill project. A program of requirements is being completed to determine long-term housing needs of the Census and an option will be selected upon further review and analysis of the Suitland Masterplan.

This request (\$5,200 thousand) is for design. The balance of funding, for construction (\$77,097 thousand), and management and inspection (\$5,803 thousand), is for Option 2 and will be requested in a future fiscal year. The estimated total project cost for Option 2 is \$88,100 thousand.

### MISSOURI

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#### **St. Louis - Federal Buildings 104 & 105.....\$1,208,000**

Buildings 104 and 105 are part of a 65 acre and 21 building Federal Center complex constructed in 1942 as the St. Louis Ordnance Plant. Following transfer of the complex to GSA from the Army in 1967, the facilities were modernized to upgrade the complex from a manufacturing plant to modern office park environment. As a result of the Base Realignment and Closure Act recommendation to decommission and relocate the Army Aviation and Troop Command, approximately 650,000 gross square feet of vacant space in Buildings 104 and 105 was made available for backfill in FY 1998.

The project proposes interior modernization to convert significant amounts of vacant space into quality office work environment for the USDA. Exterior tuck-pointing; tenant improvements; heating, cooling, and distribution upgrades; plumbing and electrical upgrades; installation of sprinkler system; replacement of passenger and freight elevators.

This request (\$1,208 thousand) is for design. The balance of funding, for construction (\$14,057 thousand), and management and inspection (\$1,085 thousand), will be requested in a future fiscal year. The estimated total project cost is \$16,350 thousand.

### OHIO

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#### **Cleveland - Anthony J. Celebrezze Federal Building.....\$1,464,000**

The Anthony J. Celebrezze Federal Building is located in downtown Cleveland at 1240 East Ninth Street. The building was constructed in 1966 and houses over 5,500 federal employees in nearly 1,552,494 gross square feet of space.

The proposed project will recapture vacant space on three floors. The FBI and a portion of the IRS will be vacating their space in fiscal year 2001. Proposed new tenants are HUD, SBA, and the EEOC. They all have lease terms that will expire at the time GSA would be able to offer this finished office space. The initial space alteration will require demolition of existing tenant build-out including asbestos abatement throughout the three floors prior to starting tenant improvements.

Additionally, the project proposes a building-wide replacement of the existing fan coil units. The new fan coil system will deliver energy efficient heated and cooled air through a zoned temperature control system.

## General Services Administration PUBLIC BUILDINGS SERVICE

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### Repairs and Alterations Descriptions of Projects Scheduled for FY 2001 Design

This request (\$1,464 thousand) is for design. The balance of funding, for construction (\$19,573 thousand), and management and inspection (\$1,338 thousand) will be requested in a future fiscal year. The estimated total project cost is \$22,375 thousand.

**Cleveland - Howard M. Metzenbaum Courthouse.....\$1,545,000**

The five-story Howard M. Metzenbaum Courthouse contains 258,221 gross square feet of space and currently houses 150 employees. The building was completed in 1910 and is sited in the heart of Cleveland's central business district. It is listed in National Register of Historic Places and potentially eligible for National Historic Landmark status – the highest level of historic designation in the country.

The Metzenbaum Courthouse will be completely vacant in FY 2002, when the current tenants relocate to the new U.S. Courthouse being constructed in Cleveland. The proposed project will recapture and backfill all vacant space and upgrade building systems. It includes initial space alterations for the Bankruptcy Court and executive agencies. Additionally, the project provides restoration for some of the most architecturally significant public spaces in the building, and a complete modernization of the HVAC, plumbing, fire/life safety, lighting and power systems building-wide.

This request (\$1,545 thousand) is for design. The balance of funding, for construction (\$20,865 thousand) and management and inspection (\$1,422 thousand) will be requested in a future fiscal year. The estimated total project cost is \$23,832 thousand.

### **OKLAHOMA**

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**Muskogee - Federal Building - Courthouse.....\$823,000**

The Federal Building-Courthouse (FB-CT) at 101 North 5<sup>th</sup> in Muskogee, Oklahoma, was built in 1915 as a United States Post Office and Courthouse. In 1937, a major addition was constructed on the west side of the original building which accounts for its current size of 137,914 gross square feet. This is a historic landmark building eligible for listing on the National Register of Historic Places. Approximately 250 employees currently occupy the building.

This project will provide a new building distribution system (including lighting), electrical service entrance, and switchgear. The electrical upgrade is needed to provide trouble-free electrical service with adequate capacity to facilitate court operations, required lighting levels, uninterrupted computer operations, and reliable building security and fire alarm systems. Proposed mechanical upgrades include new air handlers, ductwork, and an energy management system. The project will also provide a new plumbing system, complete fire sprinkler system, asbestos abatement, and renovation of vacant space for court expansion requirements.

This request (\$823 thousand) is for design. The balance of funding, for construction (\$7,470 thousand) and management and inspection (\$675 thousand) will be requested in a future year. The estimated total project cost is \$8,968 thousand.

### **PENNSYLVANIA**

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**Pittsburgh - William S. Moorhead Federal Building.....\$3,464,000**

The William S. Moorhead Federal Building was constructed in 1962 and is located in Pittsburgh's Central Business District. It houses over 2,600 personnel and 35 agencies in 768,027 gross square feet provides 58 inside parking

# General Services Administration PUBLIC BUILDINGS SERVICE

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## Repairs and Alterations Descriptions of Projects Scheduled for FY 2001 Design

spaces.

The proposed project will recapture vacant space, renovate other interior space, and modernize selective building systems. Asbestos material present in sprayed on fireproofing on structural steel, floor decks and all building systems located above the ceilings will be abated. The HVAC system will be overhauled and obsolete electrical power panels and associated trunk wiring will be replaced. Switchgear, transformers and the fire alarm system will be upgraded. Restrooms, the main lobby, and other building space will be renovated and, as appropriate, brought into compliance with the Uniform Federal Accessibility Standards and current Federal fire and life safety standards.

This request (\$3,464 thousand) is for design. The balance of funding, for construction (\$54,476 thousand) and management and inspection (\$4,365 thousand), will be requested in a future fiscal year. The estimated total project cost is \$62,305 thousand.

### **WISCONSIN**

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#### **Milwaukee – Federal Building - Courthouse.....\$774,000**

The Federal Building and U.S. Courthouse, located at 517 E. Wisconsin Avenue, in Milwaukee, WI, consists of two buildings. The first building was constructed between 1892 and 1899 with an addition built between 1932 and 1941. It is a National Register listed property and potentially eligible for National Historic Landmark status - the highest national landmark registration.

This project includes fire safety, accessibility, mechanical and electrical upgrades. The project will provide a new fire alarm system, building controls and energy management system. Eight, 40 year old elevators will be replaced as they have been in service far past their expected useful lives and require extensive and ongoing maintenance to remain functional. The courthouse will be brought in compliance with current Americans with Disabilities Act (ADA) and fire - life safety codes.

### **WISCONSIN - continued**

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#### **Milwaukee - Federal Building - Courthouse - continued**

Additional work includes converting the dual duct system to VAV on floors 2-4, 6 and 7 and rebuilding the sidewalk vault to serve as the location for an emergency generator for elevator recall and fire pumps. The electrical system will be upgraded, which will include new circuit panels in the north half of the building.

This request (\$774 thousand) is for design. The balance of funding, for construction (\$8,781 thousand) and management and inspection (\$625 thousand), will be requested in a future fiscal year. The estimated total project cost is \$10,180 thousand.

# General Services Administration

## PUBLIC BUILDINGS SERVICE

### FEDERAL BUILDINGS FUND

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#### Explanation of Estimates Installment Acquisition Payments

#### New Obligational Authority (Dollars in Thousands)

FY 1999 Actual	FY 2000 Current	FY 2001 Request
\$215,764	\$201,646	\$185,369

#### General Program Description

The Public Buildings Amendments of 1972 enabled GSA to contract for the construction of a backlog of approved but unfunded projects. We were granted borrowing authority for a selected number of priority projects; and for a number of these projects we entered into private financing agreements. We later refinanced all projects through the Federal Financing Bank (FFB), since FFB interest rates are lower than private sector rates.

Congress has provided authority on numerous occasions to borrow funds to construct specific federal facilities. While a few of these projects utilized private sector financing, all projects are now financed through the FFB. This program funds payments for interest, both capitalized and regular for facilities constructed under borrowing authority.

#### Budget Summary

The fiscal year 2001 estimated obligational level is \$195,369 thousand (\$185,369 thousand in new obligational authority and \$10,000 thousand from unobligated balances in prior years). This reflects a net decrease of \$15,892

thousand from the fiscal year 2000 level, \$211,261, (\$201,646 thousand in new obligational authority and \$9,615 thousand from unobligated balances in prior years). The request reflects:

- A decrease in capitalized interest payments (\$3,718 thousand), and a decrease in regular interest payments (\$12,174 thousand) as outstanding principal balances decrease. This decrease reflects the FY 2001 completion of interest payments on 26 purchase contract projects.

#### Performance Plan

There are no performance measures for this activity.

#### Budget Summary Information

Exhibit 12 explains budget changes from fiscal year 2000 to fiscal year 2001.

Exhibit 13 reflects obligational levels for borrowing authority for lease purchase projects from fiscal year 1999 to fiscal year 2001.

Exhibit 14 is a list of authorized lease purchase projects.

**General Services Administration  
PUBLIC BUILDINGS SERVICE  
FEDERAL BUILDINGS FUND**

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<b>INSTALLMENT ACQUISITION PAYMENTS</b>	
<b>Explanation of Budget Changes</b>	
<b>\$(Thousands)</b>	
New Obligational Authority	201,646
Program Requirements Funded From Unobligated Balances	9,615
<b>FY 2000 Current Level</b>	<b>211,261</b>
Decrease in Capitalized Interest Payments	- 3,718
Decrease in Interest Payments	- 12,174
<b>FY 2001 Request</b>	<b>195,369</b>
New Obligational Authority	185,369
Program Requirements Funded From Unobligated Balances	10,000

**General Services Administration**  
**PUBLIC BUILDINGS SERVICE**  
**FEDERAL BUILDINGS FUND**

CONSTRUCTION OF LEASE PURCHASE FACILITIES  
STATUS OF UNOBLIGATED BORROWING AUTHORITY  
*(Dollars in Thousands)*

	FY 1999 ACTUAL	FY 2000 CURRENT	FY 2001 REQUEST	FUTURE YEARS
UNOBLIGATED BALANCE AVAILABLE START-OF-YEAR	495,103	232,868	208,238	184,636
LAPSED BORROWING AUTHORITY (9/30/99)	(233,418)			
NEW AUTHORITY TO BORROW	--	--	--	--
TOTAL AVAILABILITY	261,685	232,868	208,238	184,636
OBLIGATIONS AGAINST FY 1990 AUTHORITY	(28,843)	(24,630)	(23,602)	(184,636)
PRIOR YEAR RECOVERIES	26	--	--	--
UNOBLIGATED BALANCE AVAILABLE END-OF-YEAR	232,868	208,238	184,636	0



**General Services Administration  
PUBLIC BUILDINGS SERVICE  
FEDERAL BUILDINGS FUND**

CONSTRUCTION OF LEASE PURCHASE FACILITIES  
PROJECT LISTING  
(Dollars in Thousands)

	<u>PROJECT START DATE</u>	<u>PROJECT COMPLETION DATE</u>	<u>AUTHORITY TO BORROW</u>
<b>DEVELOPER CONSTRUCTION FINANCING</b> <u>(Project Cost Includes Construction Interest)</u>			
California, Oakland, FB	12/90 (A)	12/94 (A)	194,470 1/, 3/
Georgia, Atlanta, CDC	8/93 (A)	12/95 (A)	23,776 1/
Georgia, Chamblee, CDC/Office	6/90 (A)	5/93 (A)	4,954 2/
Illinois, Chicago, FB	5/89 (A)	6/91 (A)	156,943 1/
<b>FFB CONSTRUCTION FINANCING</b> <u>(Project Cost Excludes Construction Interest)</u>			
California, San Francisco, FB	7/02 (E)	4/ 3/05 (E)	144,608
Florida, Miami, FB	6/92 (A)	8/93 (A)	14,400 1/
Georgia, Chamblee, CDC/Lab	9/99 (A)	9/01 (E)	25,920
Georgia, Chamblee, IRS	6/93 (A)	11/98 (A)	77,314
Maryland, Woodlawn, HCFA	12/92 (A)	8/95 (A)	119,846 1/
New York, New York, Foley Square	3/91 (A)	12/94 (A)	838,416
Tennessee, Memphis, IRS	10/91 (A)	2/96 (A)	<u>111,000</u>
Total Projects - 11			1,711,647 5/
(A) ACTUAL			
(E) ESTIMATED			
1/ Project financially complete.			
2/ Project financially complete; actual cost \$3,764 thousand.			
3/ Includes construction period interest paid to the developer (\$17,095).			
4/ Design start 1/00 (E)			
5/ \$233,418 thousand in Borrowing Authority lapsed 9/30/99.			

# General Services Administration

## PUBLIC BUILDINGS SERVICE

### FEDERAL BUILDINGS FUND

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#### Explanation of Estimates

#### Rental of Space

New Obligational Authority  
(Dollars in Thousands)

FY 1999 Actual \$2,670,203 <sup>1/</sup>	FY 2000 Current \$2,985,685 <sup>2/</sup>	FY 2001 Request \$2,944,905 <sup>3/</sup>
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<sup>1</sup> Includes \$86,942 thousand for Indefinite Authority.

<sup>2</sup> Includes \$203,499 thousand for Indefinite Authority.

<sup>3</sup> Excludes \$241,010 thousand for Indefinite Authority.

Strategic Goals	Strategic Objectives	Performance Goals	Performance Measures
<ul style="list-style-type: none"> <li>Promote Responsible Asset Management</li> </ul>	<ul style="list-style-type: none"> <li>Conserve taxpayer investment in real and personal property and maximize the Government's return on investment</li> </ul>	<ul style="list-style-type: none"> <li>Reduce the amount of non-revenue producing lease space in the inventory from 3.6% in FY 2000 to 3.5% in FY 2001</li> </ul>	<ul style="list-style-type: none"> <li>Percent of non-revenue producing space in lease inventory (Target: 3.5%)</li> </ul>
<ul style="list-style-type: none"> <li>Compete Effectively for the Federal Market</li> </ul>	<ul style="list-style-type: none"> <li>Provide quality products and services at competitive prices and achieve significant savings for Federal agencies</li> </ul>	<ul style="list-style-type: none"> <li>Improve the percentage of annual lease costs for new leases that are at or below the cost of equivalent space obtained by the private sector from 98.8% in FY 2000 to 98.9% in FY 2001</li> </ul>	<ul style="list-style-type: none"> <li>Percentage of annual lease cost for new leases at or below the cost of equivalent space obtained by the private sector (Target: 98.9%)</li> </ul>
<ul style="list-style-type: none"> <li>Excel at Customer Service</li> </ul>	<ul style="list-style-type: none"> <li>Incorporate customer feedback and customer satisfaction data in planning and decision-making processes</li> </ul>	<ul style="list-style-type: none"> <li>Improve the percentage of customer satisfaction from 81% in FY 2000 to 82% in FY 2001</li> </ul>	<ul style="list-style-type: none"> <li>Percentage of tenants that rate leased space and services as satisfactory or better using IFMA ratings (Target: 82%)</li> </ul>

# General Services Administration

## PUBLIC BUILDINGS SERVICE

### FEDERAL BUILDINGS FUND

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#### General Program Description

GSA leases general-purpose space in privately owned buildings and land for Federal agencies. Leasing occurs when (1) Federal space needs cannot be met in existing Government-owned or leased space; (2) leasing proves to be more cost-effective than constructing or altering a Federal building; or (3) requirements are too small or the anticipated term of occupancy is too short to warrant construction.

The Rental of Space program funds recurring payments for existing and replacement lease contracts. It also provides temporary space to house Federal employees during major repairs and alterations projects, relocations from Federal buildings due to forced moves, relocations due to health and safety conditions, and lump-sum payments to lessors when customer agencies choose to pay upfront for initial tenant alterations in leased space. Expansion space for new or expanded agency programs is provided under GSA's indefinite authority provision.

#### Yesterday, Today, and Tomorrow

In fiscal year 1970, leased space accounted for 25 percent of our total space inventory. Today, it accounts for 45 percent. GSA relies primarily on leased space for meeting the demands of new programs or the expansion of existing programs.

GSA is taking steps to maximize the use of the government-owned inventory by renovating and modernizing Federal Buildings throughout the country. However, the demand for expansion space will exceed our ability to accommodate it with government-owned space for the foreseeable future and the leased inventory will continue to grow.

#### Budget Summary

Highlights
<ul style="list-style-type: none"><li>Net square footage increase of 4,161 thousand</li></ul>

Figure 6

We request New Obligational Authority (NOA) in the amount of \$2,944,905 thousand for fiscal year 2001.

#### Inventory

The leased inventory is projected to increase by 2.6 percent between fiscal years 2000 and 2001 from an estimated 158,021 thousand square feet to an estimated 162,182 thousand, resulting in a net increase of 4,161 thousand square feet of space.

The following describes in more detail the changes taking place within the inventory:

##### *Space Entering the Inventory*

- In fiscal year 2001, approximately 9,186 thousand square feet will enter the inventory. Of this amount, the Department of Justice and the Department of Interior are responsible for approximately 2,034 thousand square feet.

##### *Space Leaving the Inventory*

- In fiscal year 2001, we expect approximately 5,025 thousand square feet of space will leave the inventory. Of this amount, the Department of Commerce which includes the Census Bureau along with the Social Security Administration are responsible for approximately 3,342 thousand square feet.

# **General Services Administration**

## **PUBLIC BUILDINGS SERVICE**

### **FEDERAL BUILDINGS FUND**

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#### *Vacant Space*

- We plan to reduce vacant available leased space by 233 thousand square feet in fiscal year 2001. This will be accomplished, in part, by applying a “reasonableness” test to our policy that allows agencies to return unneeded space to GSA with a 120-day notice. We will not accept small blocks of vacant space that total two thousand square feet or less per building. Such blocks of space are not marketable and are an unfair drain on the resources of the Federal Buildings Fund.

#### **Indefinite Authority Expansions**

Expansion space acquired through the indefinite authority provision is not included in our NOA request. Appropriation language enacted in fiscal year 1990 permits GSA to increase NOA by an indefinite amount to the extent that agencies provide rental payments to GSA for new expansion space.

In FY 2000, the use of indefinite authority was expanded to include part-year cost of the fiscal year in which the space is acquired, plus the full-year cost of the first fiscal year thereafter. This application of indefinite authority has a “budget neutral” impact on FBF Net Budget Authority and Net Outlays as the obligations and expenditures associated with the lease space acquired will be offset by additional rental payments to GSA from the associated client agencies.

GSA plans to exercise this provision in the amount of \$101,252 thousand for 8,205 thousand square feet of expansion space related to new part year expansion for fiscal year 2001. We also intend to request \$139,758 thousand for full year costs for fiscal year 2000 expansion program.

#### **Delegations Program**

Each year, we transfer funds to agencies participating in the lease delegation program. Under this program, the delegatee agencies are responsible for lease management as prescribed in the delegation agreements. GSA budgets directly within the FBF for delegated leased buildings. Each year, we transfer funding to each participating agency to make payments to lessors in accordance with the provisions of the delegation agreements. Exhibit 18 reflects the allocation of funding authority for fiscal years 1999 - 2001 to agencies participating in the lease delegation program. The fiscal year 2001 allocation to other agencies under the Lease Delegation Program is \$223,725 thousand.

#### **Rent Pricing Policy**

A major goal of the rent pricing policy is to meet customer needs in a manner that is most cost effective to the customer as well as to the federal government as a whole. Consistent with this goal, we will allow tenant agencies to pay a lump-sum amount for initial tenant improvements in leased space (commonly called “buy down” of rent). The more common practice is to amortize initial tenant alterations, at a substantially greater cost, as part of annual rent paid to the lessor. Although we expect tenant agencies to continue to opt in most cases for amortization over the lease period, we would like tenant agencies to have the opportunity to avoid the sometimes substantial costs of amortization by paying for tenant improvements up front. In order to offer a tenant agency the option of buying down rent, GSA must recognize the agency payment as direct rent income and pay the amount received from the tenant to the lessor as a lump sum. Payment to the lessor will be treated as any other payment to a commercial lessor and will be paid from the Rental of Space budget activity.

# **General Services Administration**

## **PUBLIC BUILDINGS SERVICE**

### **FEDERAL BUILDINGS FUND**

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#### **Performance Plan**

The PBS Rental of Space program supports the goals of the GSA Strategic Plan as described below.

##### *Promote Responsible Asset Management*

- Reduce the amount of non-revenue producing leased space to 3.5 percent.
  - \$10,000 thousand earmarked in the Rental of Space budget to buy out leases where economically advantageous and to relocate tenants to vacant leased and/or government owned space.
  - \$1,300 thousand is included in the Basic Repairs and Alterations budget to recapture 72 thousand square feet of space.

##### *Compete Effectively for the Federal Market*

- We developed measures to compare the lease costs that PBS negotiates to those of the private sector. We reviewed our 1998 rates and found the overall office space lease rates we charge are highly competitive with commercial rates. The national average price paid per square foot of Class A and Class B space, located inside the Central Business District (CBD) and outside the CBD, was less than or within commercially established ranges. For fiscal year 2001, we will continue to work toward our target of obtaining new leases at or below the cost of equivalent commercial rates 98.9 percent of the time.
  - \$6,000 thousand in the Buildings Operations budget to expand our capacity to lease space quickly

through the national Real Estate Broker contracts.

##### *Excel at Customer Service*

- GSA measures customer satisfaction against a goal developed in conjunction with the Gallup Organization. The fiscal year 1999 actual was an 80 percent customer satisfaction rating. The survey being used was developed by the International Facilities Management Association and modified by Gallup. The Gallup Organization has helped us identify the specific drivers, or service features that have the most influence in directing a customer's overall satisfaction rating. These drivers of satisfaction have been shared with the regional and field employees who deal directly with our tenants. The targets for customer satisfaction are 81 percent in fiscal year 2000 and 82 percent for fiscal year 2001.

#### **Budget Summary Information**

The following exhibits further highlight the Rental of Space program:

Exhibit 15 shows trends for leased inventory and obligational levels

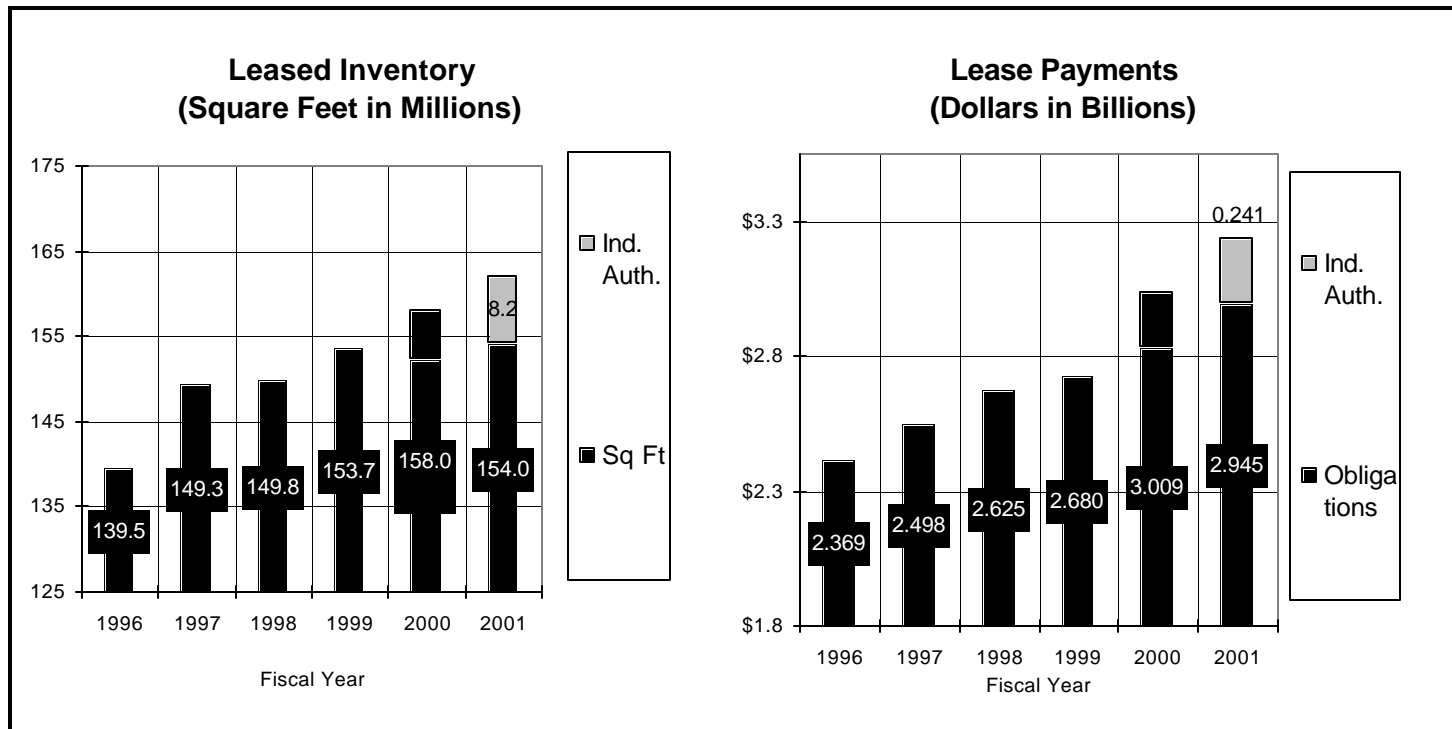
Exhibit 16 explains budget changes from fiscal years 2000 to 2001

Exhibit 17 shows the changes in Rental of Space for fiscal years 1999 – 2001

Exhibit 18 shows the Delegations program for fiscal years 1999 - 2001

**General Services Administration  
PUBLIC BUILDINGS SERVICE  
FEDERAL BUILDINGS FUND**

**Rental of Space**



The FY 2001 year-end inventory and obligations will be higher than displayed by the amount of expansion delivered under the indefinite authority provision.

**NOTES:**

--Beginning in FY 1997, we converted square feet from occupiable to rentable. The square feet data shown in FY 1996 is occupiable.

--FY 1996 through 2000 leased inventory and lease payments include indefinite authority delivered.

**General Services Administration  
PUBLIC BUILDINGS SERVICE  
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<b>RENTAL OF SPACE</b>	
<b>Explanation of Budget Changes</b>	
<b>(Dollars in Thousands)</b>	
<b>Fiscal Year 2000 New Obligational Authority</b>	<b>\$2,782,186</b>
FY 2000 Indefinite Authority	\$203,499
Total New Authority	\$2,985,685
Unobligated Balance	\$23,646
<b>Fiscal Year 2000 Current Level</b>	<b>\$3,009,331</b>
Annualization of FY 2000 Program	\$30,716
Full year cost of FY 2000 expansion to be funded from Indefinite Authority for FY 2001	(\$139,758)
Expansions	\$11,774
Cancellations	(\$84,543)
Rental Increases	\$65,305
Lump Sum Payments for taxes and lease buyouts	\$52,080
<b>Fiscal Year 2001 Request</b>	<b>\$2,944,905 <u>1/</u></b>

1/ Excludes indefinite authority for leased expansion space.

## General Services Administration

## PUBLIC BUILDINGS SERVICE

## FEDERAL BUILDINGS FUND

CHANGES IN RENTAL OF SPACE (Dollars and Square Feet in Thousands)										
	FISCAL YEAR 1999 ACTUAL			FISCAL YEAR 2000 CURRENT			FISCAL YEAR 2001 REQUEST			
	RENTABLE SQ. FT.	PART YEAR REQUEST	FULL YEAR REQUEST	RENTABLE SQ. FT.	PART YEAR REQUEST	FULL YEAR REQUEST	RENTABLE SQ. FT.	PART YEAR REQUEST	FULL YEAR REQUEST	
BASE	149,977	\$2,553,589	1 \$2,553,589	1 153,687	\$2,803,669	1 \$2,803,669	1 158,021	\$3,040,047	1 \$3,040,047	1/
Rent Increases	[139,234]	53,497	95,840	[144,206]	64,016	98,366	[148,648]	65,305	101,136	
Lump Sum - Real Estate Taxes, Lease Buy	[0]	36,326	36,326	[0]	50,608	50,608	[0]	52,080	52,080	
Cancellations	(4,762)	(60,627)	(67,827)	(3,833)	(51,349)	(80,175)	(5,025)	(84,543)	(100,850)	
Lease Expansions - Indefinite	7,554	86,942	191,942	5,752	98,499	139,758	8,205	101,252	194,140	
Lease Expansions - All Other	918	10,275	30,125	2,415	43,888	78,429	981	11,774	33,104	
TOTAL	153,687	\$2,680,002	\$2,839,995	158,021	\$3,009,331	\$3,090,655	162,182	3,185,915	3,319,657	
Less: FY 2000 Full Year Indefinite Authority							[5,752]	(139,758)	(139,758)	
Less: FY 2001 Indefinite Authority							(8,205)	(101,252)	(194,140)	
FY 2001 Requested Program							153,977	2,944,905	2,985,759	
Additional Information:										
Current New Obligational Authority (NOA)		\$2,583,261			\$2,782,186			\$2,944,905		
Indefinite Authority		<u>\$86,942</u>			<u>\$203,499</u>			<u>[\$241,010]</u>		
TOTAL NOA		\$2,670,203			\$2,985,685			\$2,944,905		
Prior-Year Balances/Recoveries		<u>\$33,444</u>			<u>\$23,646</u>			<u>\$0</u>		
TOTAL AVAILABILITY		\$2,703,647			\$3,009,331			\$2,944,905		



**General Services Administration  
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FEDERAL BUILDINGS FUND**

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**RENTAL OF SPACE DELEGATIONS INCLUDED IN GSA APPROPRIATIONS**

(Dollars in Thousands)

<b>AGENCY</b>	<b>FY 1999 ACTUAL</b>	<b>FY 2000 CURRENT</b>	<b>FY 2001 REQUEST</b>
Department of Commerce	75,364	74,638	77,242
Department of Defense	108,693	117,208	118,620
Environmental Protection Agency	24,748	26,105	27,863
<b>Total</b>	208,805	217,951	223,725

# General Services Administration PUBLIC BUILDINGS SERVICE FEDERAL BUILDINGS FUND

## Explanation of Estimates Building Operations

New Obligational Authority  
(Dollars in Thousands)

FY 1999 Actual \$1,573,814 <sup>1/</sup>	FY 2000 Current \$1,573,909 <sup>2/</sup>	FY 2001 Request \$1,624,771 <sup>2/</sup>
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<sup>1/</sup> Includes \$19,042 thousand for indefinite authority

<sup>2/</sup> Excludes indefinite authority

Strategic Goals	Strategic Objectives	Performance Goals	Performance Measures
<ul style="list-style-type: none"> <li>Promote Responsible Asset Management</li> </ul>	<ul style="list-style-type: none"> <li>Conserve taxpayer investment in real and personal property and maximize the Government's return on investment</li> </ul>	<ul style="list-style-type: none"> <li>Optimize net revenue to fund capital programs</li> <li>Maintain office operating costs that are at or below market rates</li> <li>Reduce non-revenue producing space in the Government-owned inventory</li> <li>Reduce indirect costs</li> </ul>	<ul style="list-style-type: none"> <li>"Contribution" to capital investment (Target: 2.5% of Functional Replacement Value)</li> <li>Percentage difference between GSA's operating costs and private sector costs (Target: 12%)</li> <li>Percentage of Government-owned inventory not producing revenue (Target: 12%)</li> <li>Indirect costs as a percent of revenue (Target: 10.1%)</li> </ul>
<ul style="list-style-type: none"> <li>Excel at Customer Service</li> </ul>	<ul style="list-style-type: none"> <li>Incorporate customer feedback and customer satisfaction data in GSA's planning and decision-making process</li> </ul>	<ul style="list-style-type: none"> <li>Improve percentage of tenants that are satisfied with PBS protective services</li> <li>Increase percentage of tenants that are satisfied with PBS owned and operated space and services</li> </ul>	<ul style="list-style-type: none"> <li>IFMA tenant satisfaction rating (Target: 81.5%)</li> <li>IFMA tenant satisfaction ratings (Target: 82%)</li> </ul>
<ul style="list-style-type: none"> <li>Anticipate Future Workforce Needs</li> </ul>	<ul style="list-style-type: none"> <li>Ensure that all Federal buildings in the GSA inventory meet the highest standards in terms of accessibility, energy consumption, systems, and technology</li> </ul>	<ul style="list-style-type: none"> <li>Reduce energy consumption in PBS operated space</li> </ul>	<ul style="list-style-type: none"> <li>Percentage reduction from FY 1985 baseline (Target: 22%)</li> </ul>

# General Services Administration

## PUBLIC BUILDINGS SERVICE

### FEDERAL BUILDINGS FUND

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#### General Program Description

PBS provides services to operate Government-owned facilities and related building services in lease space where the terms of the lease do not require the lessor to furnish such services.

Building services provided by PBS for facilities occupied by Federal Government employees include cleaning, protection, maintenance and maintenance repairs under \$25 thousand, payments for utilities and fuels, and grounds maintenance. Other related supporting services include a number of real property management and staff support activities such as space acquisition and assignment, building inspections and surveys, the moving of Federal agencies, on-site inspection of building services, and various highly-specialized contract administration support functions.

#### Achievements

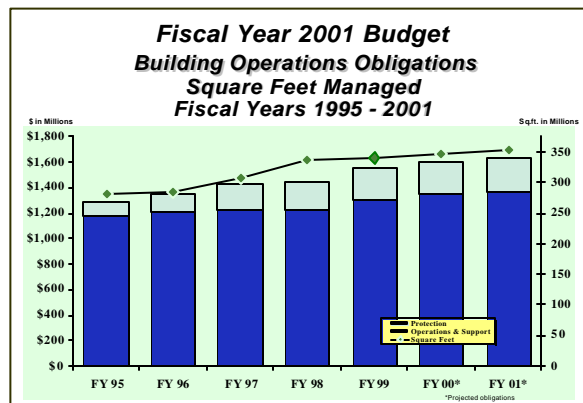
The Government Performance and Results Act (GPRA) was developed to shift the emphasis of management of Federal agencies from processes to results. PBS immediately focused on the critical elements of our business and began to measure our performance in those critical areas. We compared our operating cost per square foot to the private sector and established a goal to operate government owned space at 12 percent below the private sector cost by 2003. In fiscal year 1999, we achieved this goal by reaching a performance level that was 13 percent below private sector operating costs. This resulted in substantial savings of approximately \$42,296 thousand reflected in the fiscal year 2000 and 2001 budget submissions.

PBS procures utilities and utility services for Federal agencies nationwide. Two of the services PBS provides include area-wide contracts through which agencies obtain utilities and utility services from regulated utilities. Where the electricity industry is deregulated, PBS aggregates Federal energy usage and procures competitive electricity at reduced rates. Through the National Center for Utilities Management (NCUM), PBS provides natural gas to Federal agencies nationwide. Since this natural gas buying program was transferred to GSA in March 1999, we increased the gas buying program customer base by approximately 75 percent.

In the past few years, we focused on changing how we manage our business. This has generated not only actual cost savings, but has improved customer service. During the 1994 customer satisfaction survey, 74 percent of our building tenants were satisfied with the services we provided. Recently, we completed the 1998 survey and our customer satisfaction rose to 80 percent. Our long-term goal is to achieve a customer satisfaction score of 85 percent.

All of our efforts resulted in modest budget increases in fiscal years 2000 and 2001 of 2 percent and 3 percent, respectively. Of the budgeted increases for fiscal year 2000 and 2001, a two year total of \$32,644 thousand (2 percent) is attributed to new workload (See Figure 7).

Figure 7



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#### Budget Summary

Highlights
<ul style="list-style-type: none"><li>• Benchmarking cost savings--\$12,876 thousand</li><li>• Inflation increases--\$26,656 thousand</li><li>• Building services in 3,074 thousand rentable square feet of new space--\$14,467 thousand</li><li>• Wageboard and Pay Act Increases--\$20,115 thousand</li><li>• Real Estate Broker Services increase--\$2,500 thousand</li></ul>

Figure 8

We request \$1,624,771 thousand for the fiscal year 2001 Building Operations budget. This funding provides building services in approximately 246,740 thousand rentable square feet of Government-owned and leased space.

Of the total request, \$445,906 thousand is based on our commercial benchmarks. For the 100,656 thousand rentable square feet of office space we routinely benchmark, we developed cost per square foot targets for cleaning, maintenance, and utilities. Through the implementation of the Asset Business Plans, our regional facility managers monitor the performance of their facilities on a continuous basis.

We request \$272,481 thousand to provide cleaning, maintenance, and utility services in buildings having no commercial benchmarks.

In Other Building Services, we request \$255,385 thousand for items such as moving, space changes, child care equipment, safety, cafeteria equipment, and operating equipment. This request is based on specifically identified needs.

We request \$258,226 thousand for Protection. This request provides for a perimeter and internal security presence;

provides for problem-solving assistance in criminal and workplace security incidents; maintains intelligence information related to terrorist and other security threats against facilities; and provides facility security planning and implementation.

We request \$48,354 thousand for Information Technology (IT) support. Our IT investment provides PBS managers with building and project information, inventory and real estate information, and security and other critical data for our programs. Our IT structure focuses on linking systems to eliminate redundant data entry and to promote consistent, accurate record keeping.

For Other Staff Support, we request \$344,419 thousand to fund budgeted staffing levels and support activities such as building and construction studies, broker services and the telework program. Also included in this category is \$102,993 thousand for Centralized Services. This funds Employee Health Services, Workers Compensation, Unemployment Compensation, and General Use Printing. This also funds the PBS portion of GSA's General Management and Administrative support activities such as General Counsel, Chief Financial Officer, Business Services Centers, and Chief Information Officer.

#### Changes in Funding From Fiscal Year 2000 to 2001 (See Exhibit 19)

The total increase for Building Operations is \$50,862 thousand, as specified below:

- Increases for Pay Act, accident compensation, and other personnel related changes total \$20,115 thousand. Increases for inflation of supplies, service contracts, and utilities total \$26,656 thousand.
- A net increase of \$14,467 thousand funds cleaning, utilities and fuel, maintenance,

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and protection services in Government-owned space and lease building space entering PBS's workload inventory. This amount includes \$2,500 thousand for inaugural and presidential transition services.

- We request a net increase of \$2,500 thousand for contract broker services. These funds will help PBS maintain or further reduce lease cycle times and improve customer satisfaction.
- A decrease of \$12,876 thousand is a result of program savings achieved through renegotiating National Industries for the Severely Handicapped (NISH) contracts, implementing energy saving measures, and partnering with agencies to eliminate unnecessary tasks.

Exhibit 20 displays the fiscal year 2001 Building Operations program funding request by function.

#### Performance Plan

PBS established workload and performance measures to assess the accomplishment of our mission. Cost benchmarking is the basis of our measurement. For fiscal year 2001, we used comparisons to private sector performance in determining funding for a segment of our inventory for cleaning, maintenance, and utilities.

PBS is working to expand our private sector benchmarking efforts to fully address indirect costs and protection. Fiscal year 1999 is the baseline year for measures in each of these areas. We are completing benchmark data for courthouse/postal space (buildings with a combination of office and courts/postal space), and special use space. This will double the amount of space we benchmark with the private sector.

#### Promote Responsible Asset Management

Our objective is to maintain a quality inventory at reasonable costs. The use of private sector benchmarks assists us in being cost focused, particularly in the areas of cleaning, maintenance, and utilities. Our request of \$718,387 thousand provides resources sufficient to maintain our operating costs for office space at 12 percent less than office space in the private sector. (See Figure 9).

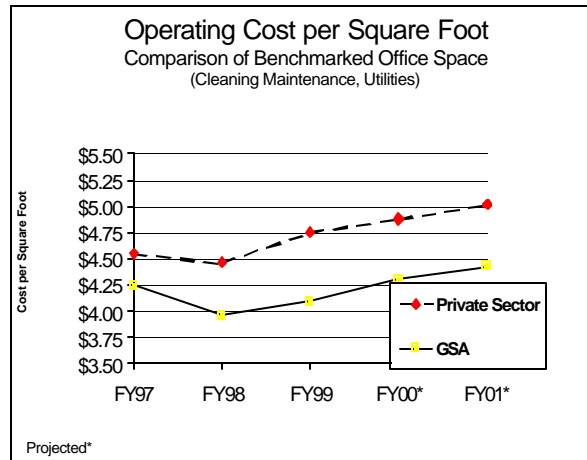


Figure 9

In support of our goal to maximize funding for the capital programs, we have identified savings of \$12,876 thousand due to our efforts to maintain/reduce our operating costs below those of the private sector.

In our effort to continue to reduce costs within the Building Operations activity, we developed a measure to monitor our indirect costs. PBS indirect costs are expenditures not directly charged to a building. Our goal is to reduce indirect costs as a percent of revenue from 10.7 percent in fiscal year 2000 to 10.1 percent in fiscal year 2001. By measuring our indirect expenditures and striving to minimize these costs, we can redirect our resources to maintain our building inventory. Our request includes \$589,000 thousand to fund programs and

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initiatives not directly associated with our building inventory.

In addition, in support of our goal to reduce non-revenue producing space from 13 percent on fiscal year 2000 to 12 percent in fiscal year 2001, our budget request includes \$6,000 thousand for costs to move new tenants into vacant space.

#### *Excel at Customer Service*

We assess and evaluate agencies' satisfaction with our office space and building services on an annual basis. Our customer satisfaction goal is to move beyond good service to that which exceeds the expectations of our customers. Each year we survey randomly selected tenants in various buildings using a survey instrument developed in conjunction with the International Facility Management Association (IFMA). Using these surveys, we measure the satisfaction with our building services, identify areas needing improvement, and identify our customer expectations.

Through meaningful use of these surveys, we see results in improved scores through fiscal year 1998. Although we moved the performance from 74 percent to 80 percent in three years, we project customer satisfaction scores to improve in fiscal year 2001 to 82 percent (See Figure 10). Our long range goal is to achieve an 85 percent customer satisfaction rating.

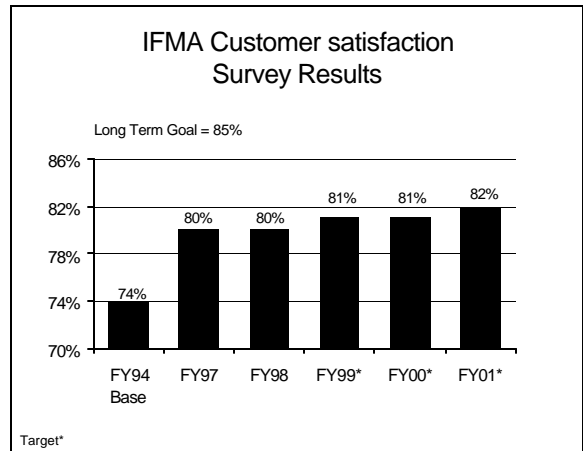


Figure 10

In addition to evaluating customer satisfaction related to overall building services, we are utilizing the IFMA ratings to assess the performance of the PBS protective services. Our fiscal year 1998 customer satisfaction survey indicated that 80.5 percent of our customers were satisfied with our performance. In fiscal year 2001 we anticipate our score will improve to 81.5 percent.

#### *Anticipate Future Workforce Needs*

Since passage of the Energy Policy Act of 1992, PBS provides leadership in Federal energy management. We participate in local utility companies' demand side management rebate programs using the rebates for energy saving projects.

We reduced energy consumption by 17.3 percent from 1985 (Base Year) to 1999. By the end of fiscal year 2001, we will further reduce energy consumption by implementing a successful energy conservation program in our facilities (See Figure 11). We invested in energy efficient technologies, cost-effective operations, and maintenance to achieve these reductions. Currently, our utility costs are running about 25 percent less per rentable square foot than comparable private sector buildings.

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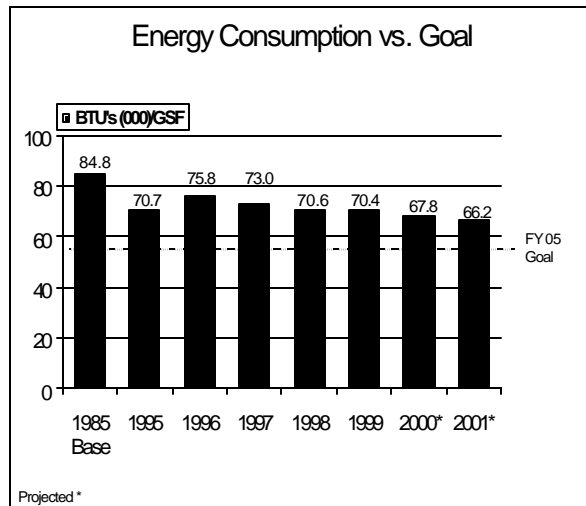


Figure 11

Our Repairs and Alterations program request includes \$20,000 thousand for cost-effective energy projects. The results of our expenditures in previous years are reflected in our ability to reduce our utility and fuels costs by \$6,481 thousand despite our increase in workload.

The Department of Energy reports that PBS has one of the lowest energy usage rates of all major property managing agencies. Both clients and PBS providers are trained to implement energy conservation programs. PBS releases catalogs identifying the most energy efficient lighting, publishes energy guidebooks, and provides training programs for nationwide energy savings activities.

## Federal Communications Commission (FCC)

In 1997, GSA agreed to fund the FCC move to Portals II. This decision was based on two factors: 1) FCC was not provided funding for this purpose; and 2) the FCC move to Portals II was in the best financial interest of the government. This decision was affirmed by a 1998 General Accounting Office report on the relocation of the FCC. The FCC

completed the move to Portals II in May 1999. For two consecutive years, FCC has not received requested appropriations to reimburse GSA for the cost of its move to Portals II. As a result, we are requesting \$9,168 thousand in appropriations over a 9-year period for the costs associated with this project. The total repayment amount is \$82,512 thousand.

## Budget Summary Information

Exhibit 19 explains budget changes in FTE and dollars for buildings operations from fiscal years 2000 to 2001. Exhibit 20 shows the changes in Building Operations by major function for fiscal years 2000 to 2001.

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<b>BUILDING OPERATIONS</b>		
<b>Explanation of Budget Changes</b>		
<b>(Dollars In Thousands)</b>		
	<b>FTE</b>	<b>Dollars</b>
<b>Fiscal Year 2000 Current Level</b>	<b>7,155</b>	<b>1,573,909</b>
<u>Increases:</u>		
Wageboard and Pay Act Increase (3.9%), Effective January, 2001	--	15,073
Part Year Increase for FY 00 Pay Act (4.4%), Effective January, 2000	--	5,042
Inflation (Supplies, Materials, Service Contracts and Utilities, (2.1%))	--	26,656
Building Services in New Space	--	14,467
Increase for Real Estate Broker Services	--	2,500
<u>Decreases:</u>		
Program cost savings	--	-12,876
<b>Fiscal Year 2001 Request</b>	<b>7,155</b>	<b>1,624,771</b>



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**CHANGES IN BUILDING OPERATIONS  
FY 2000 - FY 2001  
(Dollars in Thousands)**

	Cleaning	Utilities and Fuels	Main- tenance	Other Buildings Services	Protection	Staff Support	CIO	TOTAL	F T E
<b><i>FY 2000 CURRENT</i></b>	<b>217,026</b>	<b>253,608</b>	<b>231,590</b>	<b>247,265</b>	<b>247,031</b>	<b>330,214</b>	<b>47,175</b>	<b>1,573,909</b>	<b>7,155</b>
Building services in new space	3,340	4,756	3,140	40	3,191	-	-	14,467	
Inflation for cost of supplies, materials and service contracts (2.1%)	4,429	-	3,657	1,957	5,299	4,704	1,179	21,225	
Utilities and Fuels rate increases (2.1%)	-	5,431	-	-	-	-	-	5,431	
Part-year cost of FY 2000 Wageboard and Pay Act increase (4.4%)	228	-	538	1,618	1,009	1,649	-	5,042	
FY 2001 Wageboard and Pay Act increase (3.9%)	610	-	1,680	4,505	2,926	5,352	-	15,073	
Increase for Real Estate Broker Services	-	-	-	-	-	2,500	-	2,500	
Cost Savings	(5,165)	(6,481)	-	-	(1,230)	-	-	(12,876)	
<b><i>FY 2001 REQUEST</i></b>	<b>220,468</b>	<b>257,314</b>	<b>240,605</b>	<b>255,385</b>	<b>258,226</b>	<b>344,419</b>	<b>48,354</b>	<b>1,624,771</b>	<b>7,155</b>

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**Explanation of Estimates  
Reimbursable Program**

**General Program Description**

In return for Rent, GSA furnishes tenant agencies with space and building services (e.g., cleaning, maintenance, utilities, and protection) commensurate with those offered in the private sector. When requested by a tenant, we also provide building services which exceed commercially equivalent levels on a reimbursable basis. The reimbursable program allows us to be fully responsive to the special needs of our tenants in the Government-owned and leased space that we operate. Reimbursable services include space adjustments, facility security, utilities, large projects, and janitorial services required for above standard levels of operations, as well as administrative support costs associated with providing the service.

GSA is currently implementing several large projects through reimbursable arrangements. (See Figure 11.)

**Budget Summary Information**

Exhibit 21 shows budget changes in reimbursable program for fiscal years 2000 to 2001.

	TYPE 1/	FY 00	FY 01
National Computer Center Generators, Woodlawn, MD	R	\$ 36,000	\$ 36,000
CDC, Atlanta, GA	C	\$ 22,561	\$ 10,158
FLETC, Glynco, GA	C	\$ 18,200	\$ 14,300
EPA, Research Tri Pk, NC	C	\$ 36,145	\$ 35,431
Alcohol, Tobacco & Firearms Hdqtrs, Washington, DC	C	\$ 25,000	\$ 24,000
National World War II Memorial, Washington, DC	C	\$ 37,750	\$ 37,750

Figure 12

1/ C – Construction  
R – Repairs and Alterations

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REIMBURSABLE PROGRAM Explanation of Budget Changes (Dollars in Thousands)		
	FTE	Dollars
<b>FY 2000 Current Level</b>	<b>132</b>	<b>\$951,501</b>
Inflation (2.1%)	--	13,912
Workload Increases (+)	--	32,843
Workload Decreases (-)	--	-120,297
<b>FY 2001 Request</b>	<b>132</b>	<b>\$877,959</b>